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Wednesday 26 August 1992

Standing committee on
estimates

Ministry of Transportation

Ministry of Industry,
Trade and Technology

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

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Mercredi 26 août 1992

Comité permanent des budgets
des dépenses

Ministère des Transports

Ministère de l'Industrie,
du Commerce et de la Technologie



Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 26 August 1992

The committee met at 1004 in committee room 1.

MINISTRY OF TRANSPORTATION

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We have two hours remaining to complete the estimates for the Ministry of Transportation. When we were last together, we were examining as a committee the expenditures of GO Transit. I'd like to begin the rotation again with Mr Sorbara.

Mr Gregory S. Sorbara (York Centre): Thank you, Mr Chairman. I note in front of us the Jobs Ontario allocation and I do have some questions on that subject, but before I begin, I want to return to the discussion yesterday about the cancellation of funding for the Red Hill Creek Expressway as a prelude to a looming bit of bad news that I expect will be coming from this government and the Ministry of the Environment.

By way of preface to my question, I simply want to read into the record an editorial that appeared in today's edition of the *Toronto Star*. The headline is "Extending Leslie Street."

"Metro Chairman Alan Tonks is understandably wary about proceeding with a costly environmental hearing next month into the Leslie Street extension.

"A year ago, Metro reaffirmed its 20-year-old plan to extend Leslie Street south of Eglinton to Bayview Avenue.

"But last fall, a scathing review of the project from the provincial Environment ministry put the future of the 3.2-kilometre, four-lane road extension in doubt."

I just note parenthetically that you can smell the rat right there, the same rat that ate away at the Red Hill Creek Expressway.

"In light of that report, Tonks is right to be asking Transportation minister Gilles Pouliot"—that's you, sir; check your licence, that's you—"for assurances that Metro isn't pursuing hopeless initiatives."

"If Pouliot reviews the case, he will realize that the road is needed to relieve the congested Don Valley Parkway and keep southbound cars off residential streets in Leaside.

"He will also see that it would improve access to the Thorncliffe Park industrial area"—the government says it's concerned about jobs—"and pave the way for an express bus route to take Leaside residents downtown in a fraction of the time it takes now.

"It's reasonable for Tonks to ask Pouliot for two things: a \$3-million contribution for the environmental hearing and a commitment for half of the project's \$141-million cost.

"Considering the rhetoric from Queen's Park about municipal infrastructure projects"—we dealt with that in the first part of these estimates—"to help the economy, it's hard to imagine how Pouliot could turn Tonks down."

I'm sure you've had an opportunity earlier this morning to read the editorial and think about some of the implications about what the people through this editorial are asking you.

I remind you that Hamilton-Wentworth region went through a 25-year planning process and a very expensive environmental assessment process to receive approval to build the Red Hill Creek Expressway and then the beautiful people in the Ministry of the Environment and some of their colleagues in your own ministry decided in their wisdom that, notwithstanding the determination of a tribunal, the project would be cancelled, killed, destroyed, eliminated by way of a withholding of funding.

You have an obligation to answer the questions that are raised in this editorial. If I could paraphrase the first question that arises, will you commit to providing the funding that it would be appropriate to provide if this proposal is approved by an environmental assessment panel, and are you prepared to contribute, as normally would be the case, the \$3-million contribution for the environmental hearing?

Pretty simple and straightforward questions. You could answer them with a yes or no. The people of Toronto, Metropolitan Toronto and the greater Toronto area have a right to know the answer to those questions.

Hon Gilles Pouliot (Minister of Transportation): We have just received—timely indeed with you, with respect of course, by virtue of what was highlighted by the press and editorialized—a letter from Mr Tonks addressing the same subject matter.

Proposals, projects are funded on a formula basis by MTO after the EA panel has made recommendations. There's no hiding in a metropolis such as Toronto. People are very well organized, they voice their concerns and/or approval with knowledge, and passion sometimes, for they live in these neighbourhoods and they have the welfare of the community. It's a very complex endeavour. We don't close the door to any proposal but we must keep in mind that funds are limited.

But more important is that we have a due process. We have a formula that is arrived at, that is established, and we have to follow the rules as they are. I know you're not suggesting that we find ourselves in the poorhouse because of a spend, spend, spend policy. Money is not the catalyst here. It's a very important component, though. But due process is indeed that catalyst.

We will look at the letter, Mr Sorbara, and then we will see how it fits into what needs to be done, ie, EA.

Mr Sorbara: I just want to put it to you, Minister, as clearly as I can. The record of your government is not an acknowledgement of due process and formulas for funding based on that due process. The singular record of your

government is to fly in the face of that process, to reject the due process and to cancel projects that have gone through all of the hoops and all of the process required by the government.

1010

The people of Toronto and Metro Toronto need to know what your position is. Are you going to play the same tricks you played with the Red Hill Creek Expressway, or will you make a commitment now that if the proposal to extend Leslie Street succeeds the EA process, your government will commit funding to the extension based on the regular formulas that are there? In other words, will you abandon the trickery you foisted on the people of Hamilton-Wentworth and abide by the due process?

The Chair: Mr Sorbara, the Chair has been rather lenient with your references. This is estimates. It's not a committee of inquiry. I think the minister is responding and I would appreciate it if you'd just temper slightly some of the inferences.

Mr Sorbara: You don't consider it trickery?

The Chair: I respect your opinions. I'd just suggest it may not necessarily be appropriate at this time.

Mr Sorbara: Okay.

Hon Mr Pouliot: More important, with the subject matter being addressed, under other circumstances one could feel provoked, but if you take the time to consider the source you find it immensely less provocative.

The Chair: Do you read the Toronto Star?

Hon Mr Pouliot: The interpretation from what appears, whether it's the local tab down the street—I mean, one of the media that bless us with information would never deviate from their mandate to better inform the public. EA is not a guarantee that a project will take place, and this government is ready to make difficult decisions when decisions have to be made. It's one of the processes.

You keep going back to the Red Hill Creek Expressway, and rightly so. As you examine the dossier in every detail, you will see the consistency, and I am talking here in terms of finding an alternative. Certainly in terms of Leslie Street, it's not yes, it's not no. What we're saying is that we will give consideration to the content of the letter from Mr Tonks and then due process will take over and we will follow suit, always assuming our responsibilities under the mandate of MTO, no more but no less.

Mr Sorbara: I just invite the minister to measure his words very carefully, because if what you are saying now is that municipalities can well go through the very expensive EA process and then apply for funding under the normal funding provisions of the ministry and have that request for funding rejected on the basis that the government holds a different view of the environmental impact than that assessed by the board, if that's what you're saying in your equivocations, then I suggest to you that you are really putting in great jeopardy the entire system of considering the proposal to build new roads, because you are inviting the municipalities to abandon any consideration until they have an ironclad commitment from you that

you will not change the recommendation of the EA board after the recommendation has been made.

I want to once again put it to you whether you will respect the decision of the Environmental Assessment Board that will consider that extension, or do you leave open the possibility that you will do the same thing in respect of the Leslie Street extension that your government did in respect of the Red Hill Creek Expressway?

Which is it going to be? Are we going to get back on the road to predictability and the responsibility of boards, or are you telling the people now that you will leave open the possibility that your government will take a different view of the environmental impact, notwithstanding the recommendation that a board makes to a municipality after a long EA hearing?

It's very important, because you're on the record here. What I'm saying is that Chairman Tonks is listening to your response this morning.

Hon Mr Pouliot: Yes, and I'll choose my words somewhat carefully. I'm not given to too much latitude, so I wouldn't wish to put words on the record that might take extraordinary proportion; not that the record is immaculate, in your views, but with the help of others—good Samaritans indeed—that record may go on and take a proportion.

In any event, it would be premature. Speculation and hypotheses are welcome, and we assume and do some planning in accordance with what we think will take place. Logically, we have to wait and see what the recommendations are. Then there are the recommendations to cabinet as well. Then there is the availability of funds. No one would appreciate the literally dozens of project submissions; they go through the loop, adhere to every rule, jump through every hoop, the EA process, and yet you put them on the shelves and claim you don't have the money to follow suit.

I don't subscribe to this kind of philosophy. I think you have an obligation that there has to be a beginning, a middle and an end.

We have the letter from Mr Tonks saying: "I recognize the needs in our community. It's going to get worse. But you can do something. We'll do it together." So we say, "Let's look at it." If there are pitfalls or shortcomings associated with the proposal, they will be identified.

Once we have this in hand, then we can look at it and make a balanced judgement. Our responsibility is to go through the process and generate the funds, but to say yes or no would indeed be to prejudice an issue which we have asked other people to look at meticulously and make recommendations. That's what we're waiting for and we're anxious to look at the recommendations from the panel.

Mr Sorbara: I simply tell the minister that the only way I can interpret that is that your government will not necessarily respect the recommendations of an Environmental Assessment Board hearing an application to extend Leslie Street. That is extremely bad news, not only for Metropolitan Toronto but for any municipality which is preparing to make an environmental assessment application.

I want to turn now to this list of Jobs Ontario Capital fund projects that the minister and staff so kindly submitted to us after our request yesterday. Just to clarify the understanding from the estimates book—I want to make sure I have this right—the capital estimates for 1992-93 are, according to your figures, \$1,714,000,000, and when you add in this \$141 million, the net result is that the Ministry of Transportation is going to be spending about the same amount of money on capital projects as it did last year. Is that correct?

Hon Mr Pouliot: Thank you, Mr Sorbara.

Mr Sorbara: Is that correct?

Hon Mr Pouliot: I trust it is, in terms of spending approximately the same amount as we did last year on capital projects.

Mr Sorbara: Right. So really what you and the Treasurer did, if I understand it correctly, is take the amount that you spent last year and reduce it by about \$141 million, and then put a new label on that \$141 million—Jobs Ontario Capital fund—and use that nomenclature to make an announcement that made it look like the government was undertaking a capital fund project to help the economy out of the recession. Would that be a fair interpretation?

1020

Hon Mr Pouliot: I want to commend you on your consistency. I thought I had heard everything, Mr Chairman, but now I know I have. This would be playing a shell game.

Mr Sorbara: That's precisely what I'm suggesting to you.

Hon Mr Pouliot: Oh, my God.

Mr Sorbara: If I say to you, "Sir, last year you earned \$50,000 as my employee. This year, I'm going to reduce your pay to \$35,000, but I'm going to give you a bonus of \$15,000, so you won't be any worse off, and actually, I'm going to make an announcement that my firm is now paying its employees bonuses," wouldn't you describe that as a shell game?

Hon Mr Pouliot: No, I would describe that as an employer who cannot afford me.

Mr Sorbara: Well, few employers could afford you.

Hon Mr Pouliot: There is no secret here. We have a job capital program. It recognizes the need. It's an incentive. It's an injection into the economic system of Ontario; nuts and bolts, shovel in the ground. There's no smokescreen here; there's no witchhunt.

Mr Sorbara: I didn't suggest a witchhunt.

Hon Mr Pouliot: It's straightforward going from point A to point B, putting people to work. You recognize the need. You make the roads safer, you make more roads, better roads, and it puts people to work. This is a win-win-win situation.

Mr Sorbara: Minister, I'm on your side.

Hon Mr Pouliot: Sure you are.

Mr Sorbara: I think your capital budget should be much higher than it is. All I'm suggesting to you is that in the Treasurer's budget, which is the basis for these esti-

mates, he proclaimed "Jobs, jobs, jobs," like another politician who shall remain nameless. In fact, you had three job categories: Jobs Ontario Capital fund, Jobs Ontario Homes, and Jobs Ontario—I forget the third. These were memorable announcements.

Mr Drummond White (Durham Centre): Training fund.

Mr Sorbara: Jobs Ontario Training fund.

Look at the capital fund. If you want to come clean with the people of Ontario, you have to admit that what you did, at least in your estimates, is reduced last year's expenditures by \$141 million and then put a new label on the \$141 million and say you've undertaken an anti-recessionary Jobs Ontario Capital fund, but when you add it all up, you're not spending one dime more than you did last year. Where am I wrong on this?

Hon Mr Pouliot: You're not—

Mr Sorbara: Wrong.

Hon Mr Pouliot: No. no. You're not consistent. Yesterday, you were looking for \$308 million. We weren't spending as much. I mean, "Spend, spend, spend."

Mr Sorbara: Spend on capital projects, yes. I proudly advocate that.

Hon Mr Pouliot: Then as the day progressed, and this morning again, you seem to have bridged that \$308 million.

Mr Sorbara: Yes, we found it.

Hon Mr Pouliot: Oh, you found it, so it's no big deal. Pretty soon you'll be talking about real money, I imagine. Now you chastise in terms of: "You're not spending any more than last year. Therefore, you took the money from one hand and you put it into a vat" or a general fund or whatever. "You shook the can and then you changed the tag; you changed the label."

Mr Sorbara: Yes.

Hon Mr Pouliot: I see you're not alone. You're being encouraged by your distinguished colleague, the member for Oriole.

Mrs Elinor Caplan (Oriole): I understand what he's saying, Minister.

Hon Mr Pouliot: By way of good morning, Elinor. I cannot understand—

Mrs Caplan: It's obvious.

Hon Mr Pouliot: —how people would evaluate from that premise. Surely, there's a methodology here. We're here in the collective. When all is said and done, you help the people you're here to serve, not to impute motives and go into little childish games. Oh, it may be harsh, but I'm appalled. What makes people function that they would look at the world this way? Have I missed something, Mr Chairman? My upbringing was entirely different. It was to be positive, and heaven knows it has been.

Mr Sorbara: At least there we're on the same wavelength. I am appalled as well, appalled that you can't simply be honest and open and upfront with the people. Just say, "We're going to spend the same amount as last year, but we're going to put a fancy label on part of it."

If you were a private sector industry, I can tell you, my friend, as an ex-Minister of Consumer and Commercial Relations, that you would be before the advertising bureau of the federal Department of Consumer and Corporate Affairs. There was recently a case, for example, of a merchandiser who advertised the price as "special value price," which just happened to be slightly more than the regular price of the item, and they were investigated and found guilty by Consumer and Corporate Affairs.

What I'm suggesting to you is that governments have to stop doing the very same thing. It's not just your government; our government and the predecessor government did the same thing. I plead with you, in your estimates here, just to say to your ministry, "I don't want to do that." Say to Floyd Laughren, "I don't want to have anything to do with your public relations gesture, the special value price, the Jobs Ontario fund." Just say, "We're spending the same amount as last year, and this Jobs Ontario Capital fund is a pretty little advertising gimmick to make our budget look more than it is." If you would do that one thing, the honesty value, if not the competence value, of your government would increase dramatically.

The Chair: Thank you, Mr Sorbara. Mr Turnbull.

Mr David Turnbull (York Mills): I agree with Mr Sorbara that it's time that we had honesty in government, and he comments that other governments of all stripes have played these little games. I would particularly think of the fact that the previous Liberal government starved the transportation system of capital until shortly before the last election and then trotted out the transportation capital program, and that was another of these shell games. We've got to stop it. We've got to be upfront with the people of Ontario, and I don't care which political party it is. That is a shell game you engaged in, backing moneys out of the budget and then reannouncing them, and you're still spending the same sort of money. It's ludicrous, Minister. You've got to start talking to your cabinet and you've got to start talking to all of your caucus, because I can tell you that our party won't stand for it any longer.

Mr Sorbara: The party that invented it will not stand for it any longer.

Mr Turnbull: Well, I guess it hurts my little comment—

Hon Mr Pouliot: Mr Chairman, will these two stop fighting?

Mr Turnbull: —but I found it rather amusing seeing the two brands of socialists arguing.

Let's turn to the way you've been spending your money, Minister. I want to speak about the Wally Majesky consulting contract for the human resources planning audit. Wally Majesky is a well-known NDP supporter and labour organizer. When he went to your ministry—I must admit, he went to your ministry before you were the minister—and asked to do a study, this being an unsolicited study, your ministry said it didn't need the study; it already had the data.

Notwithstanding that, your ministry plowed ahead and gave them the contract for the study and is spending some \$160,000 of the taxpayers' money on an unsolicited study that, according to the freedom of information documents I

got, your ministry said it didn't need. Further, you didn't tender the contract. All of this is on record in freedom of information.

Minister, explain to me once again, because in the House you were able to dance around this, why an unsolicited contract, untendered, and, by your ministry's admission, unneeded—why did you go ahead with this study?

Hon Mr Pouliot: Well, we differ on what was and what is needed or unneeded.

Mr Turnbull: Well, I've got freedom of information which says that your ministry said it didn't need the information; it already had it.

The Chair: Mr Turnbull, allow the minister to respond.

1030

Hon Mr Pouliot: I can reassure my distinguished colleague that every rule was followed; that we have the capacity, under a certain amount, to go the sole-source route. In fact, the number of sole-source awards pales in comparison to previous administrations.

Mr Turnbull: Minister, the question I'm asking you—

Hon Mr Pouliot: We don't see it as a policy.

Mr Turnbull: You're answering some other question. I'm asking you why, in view of the fact that your ministry said it already had the information, you went ahead with the study. That's the question, not something else.

Hon Mr Pouliot: I see. Okay, thank you. Mr Johnston, maybe you'll have a better ability to penetrate the subject matter than I do. There seems to be a credibility gap developing.

The Chair: Introduce yourself for Hansard, Mr Johnston.

Mr Gerry Johnston: Gerry Johnston, assistant deputy minister of planning.

In the early stages of the study there was an expression made that whatever is done through the study should not duplicate work that was done before, and that was expressed as a concern. That was fully addressed during the preparation of the terms of reference and the work program to make sure there was no duplication or overlap.

So although in the very early stages that point was brought up, it was fully resolved through the committee that included the operators of the transit properties, the Ontario Urban Transit Association and the ministry staff. That point was brought up as an issue—

Mr Turnbull: Thank you, Mr Johnston. Minister, how many times did Mr Majesky come back with new ideas until he could have a study you could pay for that you could claim there was no duplication of?

Hon Mr Pouliot: Gerry.

Mr Johnston: It wasn't a case that the study wasn't necessary. I think everyone appreciated that there were benefits that would come out to everyone through a study of this nature. It was a case of simply sorting out the terms of reference to eliminate any possibility of duplication. It was more that, until you get down to the point of really

understanding the work program, you can't see all the details of what's being done within a program—

Mr Turnbull: Yes, that's a good point. The work program, as of last week, still hadn't been worked out.

Mr Johnston: Yes, the work program was worked out and was approved by the steering committee on, I believe the date was, May 11, so it is finalized.

Mr White: Mr Chair, with due respect—

The Chair: You have to put it as a point of order.

Mr White: On a point of order, Mr Chair.

The Chair: Your point of order is?

Mr White: Mr Chair, with due respect, Mr Pouliot is a very able and experienced politician and I'm sure he can deal with interruptions—

The Chair: That's not a point of order, Mr White.

Mr White: However, I'm not sure it's in the job description of the witnesses.

The Chair: That is not a point of order, Mr White. You're out of order. Please proceed, Mr Turnbull.

Mr Turnbull: Yes. The question then is, why was I given information under freedom of information last week that the terms of reference had not been fully completed?

Mr Johnston: In a committee meeting early this year—I can't remember the exact month—it was decided that the terms of reference had reached the point where it could be much more productive to focus on the development of the detailed work program. The detailed work program replaced the requirements for what would be classified as the terms of reference. But the work program is finalized. It's done in considerable detail. It is accepted by all the participants, and the study—

Mr Turnbull: When was that finished?

Mr Johnston: That was done in May. If you specifically wanted access to the work program, I'm sure that could be made available.

Mr Turnbull: What was it that was not completed last week when I got the freedom of information?

Mr Johnston: The terms of reference as a document. There were preliminary terms of reference. They were circulated to all of the people who were participating in the study including the operators, Ontario Urban Transit Association and other ministries. They commented on it, and then they used the basis of the response to those preliminary terms of reference to finalize a detailed work program for the project. I think we're talking more words than content.

Mr Turnbull: Thank you, Mr Johnston. I would hate to think that private industry would ever engage in this kind of conduct, because they'd be bankrupt, Minister. You'd already paid \$20,000 before you'd got all the terms of reference settled. That's rather alarming. How many other unsolicited contracts have you given out?

Hon Mr Pouliot: The question is very valid and is well taken. The computer list of all sole-source contracts—in fact, what we will do is go back a few years and make it available, because it's public money we're talking about.

Mr Turnbull: That's right.

Hon Mr Pouliot: I share in your view that it should be available. You're asking for it?

Mr Turnbull: Yes.

Hon Mr Pouliot: You will get it, and you will get it in rather short order. In fact, I said en passant this morning that this question was to be raised. In anticipation that the question would be raised, "Where is the list?" The list will be forthcoming, I can assure you. I want this to become a matter of record. Let's go back eight or nine years to see the sole-source contract issue. You have a lot of support from me in raising those questions regarding sole-source, for we must all be vigilant.

Mr Turnbull: That's right. I have no problem in going back for ever, in the same way as I spoke to you yesterday about the way we've got to document the way money is being spent. I'm alarmed at the fact that we have in excess of a \$10-billion deficit this year and you're plowing ahead and spending \$160,000 on some union leader, who wants some pork-barrel scheme, coming to you. I have seen the documentation under freedom of information.

Interjection.

Mr Turnbull: I have seen the documentation as to what was corresponded. I saw the first letter from Wally Majesky and my hair stood on end, where he was thanking the minister for sending certain people to the meeting and that things were moving along very nicely. I think the press will be very interested in that, Minister.

What is your procedure at the moment so far as unsolicited contracts? I'm not talking about just sole-source; I'm talking about unsolicited.

Hon Mr Pouliot: We have strict guidelines that were established by previous administrations vis-à-vis Management Board's rules and procedures. Gerry Johnston, would you like to spell out the guidelines?

Mr Turnbull: Minister, is that back in the days when we used to have much less of a deficit that you're talking about, when they had these rules?

Hon Mr Pouliot: I fail to see the relevance.

Mr Turnbull: There's a great relevance. You're spending taxpayers' money like drunken sailors.

The Chair: Mr Turnbull, I believe Mr Johnston's been asked to respond to your question which has to do with policy.

Mr Johnston: Mr Mealing will respond.

Mr Norm Mealing: Norm Mealing, ADM, corporate services. We have a consultant assignment process in the ministry that involves dealing with consultant assignments across a range of activities. With respect to unsolicited proposals, we are always interested in ideas from outside the ministry. We have never claimed to have all the expertise within our organization. These ideas, when they come in, are referred to the appropriate area within the ministry for review and recommendation.

It is not unusual to give out contracts based on an unsolicited proposal. As a matter of fact, in terms of our

research and development effort, a lot of our R and D assignments are on the basis of proposals brought forward from universities in response to their identification of a number of areas they would like to look at.

Mr Turnbull: With respect to the Majesky contract, I can only see unions benefiting from this information. I fail to see how the taxpayers are going to get any benefit out of this study.

Hon Mr Pouliot: Oh, but they will, immensely so. The issue of improving relationships between labour and management is an ongoing issue. Mr Majesky and his team bring forth a world of experience. They're trying to make things better.

Mr Turnbull: I think there's a conflict of interest.

Hon Mr Pouliot: They're imaginative and they're innovative. In fact, the taxpayers are getting value for money.

Mr Turnbull: There's a conflict of interest. Your party receives very significant amounts of money from these unions, and now you're dispensing the money to these union leaders to do studies which will only benefit the union leaders; not the union rank and file but the union leaders, in order to consolidate their power.

Hon Mr Pouliot: Our relationship with the labour movement, or members from unions, as you term them, brothers and sisters—

Mr Turnbull: No, union leaders.

Hon Mr Pouliot: —indeed is no different from the relationship we have with all sectors of Ontario society. Again, I say I fail to see the relevance.

Mr Turnbull: That's not the common view. I don't know what newspapers you're reading.

The Chair: Mr Turnbull, please. This is not a debate.

1040

Hon Mr Pouliot: We have friends in the banking community, in the insurance industry and the real estate industry. They're having a difficult time right now, but we have friends, and we tap the expertise across the board, universally. We're not prejudiced; time is too precious to make differences and to be closely connected, as some would suggest. We don't do those things, Mr Turnbull.

Mr Turnbull: Quite frankly, Minister, the real estate industry would differ with you on your view of you helping them.

Let's turn to vehicle driver licensing offices. In your unrolling the road safety organization in June of this year, you suggested that this would take over all existing road safety programs and customer services currently being provided by the ministry. What sort of job guarantees are the people who are operating those agencies going to have under the new agency? I'm not talking about under the MTO, because you will recall, when I asked you a question in the House the very day that you announced this road safety agency, you said, "As long as it reports to the ministry." It was so disingenuous of you to say that, the very day you had announced this agency you were hiving them off to.

Mr Sorbara: Don't accuse the minister of being ingenious.

Hon Mr Pouliot: He said that I came to the province to learn English, and I've just been disingenuous.

Mr Turnbull: I'm very sorry about my English pronunciation, Mr Sorbara.

Hon Mr Pouliot: I'll turn it over to Mr Kelly, a world of dedication and expertise, one of the architects who put together the proposal to again make things better, to have a different relationship within the confines of the proposed road agency. It's exciting. I know you will want to commend Mr Kelly. Will you tell us—take your time, Mr Kelly, please, because this is a very important, very insightful question indeed—about the many attributes. Mr Turnbull is beginning to salivate. He wishes to know everything about the road agency.

Mr Sorbara: No, he's looking for lunch.

Mr Turnbull: Let's do this in the form of very short questions and answers so that we don't eat up the clock.

The Chair: Why don't we let Mr Kelly answer, since all of this is going to go into his next manager's letter anyway.

Mr Alex Kelly: I'm Alex Kelly. I'm the assistant deputy minister in safety and regulations. We have at the present time 288 small companies which deliver our products, and they're distributed throughout the province. As far as vehicle licences, renewing of vehicle and driver's licences, they do most of our business; 90% of the vehicles go through that, and 63% of the—

Mr Turnbull: Yes, Mr Kelly, I know all of this information. I'm asking about the ongoing relationship of these offices after they become part of the crown agency. I'm asking what guarantees they will have of work after it is no longer directly under the ministry.

Mr Kelly: Our present relationship with the issuers is that they're compensated based upon transactions. We have no guarantee that transactions will occur as population shifts and so on and so forth throughout the province, so they have to take a little risk in that themselves.

Mr Turnbull: They've never had any guarantee.

Mr Kelly: They have never had any guarantee.

Mr Turnbull: Mr Kelly, this is what I'm aiming at; I'll be very clear so that you'll understand what I'm asking you to answer. These people have gone into leases on buildings, and in fact in some cases have bought buildings. They have rented photocopiers; they have purchased computers. In order for them to be able to know that they have a future, they need to know that after this comes under the aegis of the road safety organization they will continue to have a job and that they will continue to be able to pay the rent on their premises. I'm not asking for guarantees of volumes of people who are going to use this; I'm talking about the future of these people who operate the offices, the 1,500 predominantly women in relatively low-paying jobs, that they will continue to have work after this goes into effect.

Hon Mr Pouliot: Isn't that word "tendered," Mr Kelly?

Mr Kelly: We advertise for agents when there's a vacancy in the community. But we intend, as a part of the road safety agency, to continue to use the private issuers to deliver our products. Basically they'll continue to be the products that we're delivering at the present time, with maybe one or two additions and one or two changes in the systems. We presently provide all the issuers with all the computer systems, all the programs, all the information, all the supplies and so on and so forth, and we will continue to do that. We will continue to update their equipment and allow them to operate better.

Mr Turnbull: Okay. Mr Kelly, I will direct this back to the minister.

The Chair: It is your last question, Mr Turnbull.

Mr Turnbull: When I asked you what their future was, you said, "As long as it's under the ministry," Minister—the very day that you'd announced the creation of this road transportation agency. I'm not talking about while it's under the ministry. I'm talking about the future of these agents and the employees as independent operators after it is under the road safety agency, not while it's under the ministry, where you've already said you'll devolve it.

Hon Mr Pouliot: When you have an agency, it has an arm's length quality to it. Nothing is in perpetuity. You don't have a monopoly. You can't guarantee whether in 10 or 15 years the same people will be exercising the same job. This is a constantly changing world. Twenty minutes ago you were making a very strong argument for the tendering process as much as possible, and I'm sure you would wish to say, "When does the next tendering take place?"

Mr Turnbull: I have no problem with that, Minister.

Hon Mr Pouliot: So we don't know; it might change. You've asked in the House, and rightly so. The anxiety created around dispensing machines: Well, dispensing machines are enhancing the delivery of their product. We can't go back to the days of horse and buggy.

There will be changes. There will be more changes in maybe five, six, seven, eight years. I don't know; no one knows. But things move quickly nowadays. The delivery of the product or products might be entirely different from what it is now. It is for the road agency, and the kind of implementation will be reflected by the policies set forward by the road agency. We will not dictate what the road agency does. We cannot. It's not our philosophy.

Mr Turnbull: Minister, I'll make it simple. Just a quick answer to this, yes or no: Will they continue to have their jobs until after the next election?

Hon Mr Pouliot: The formation of the road agency will have, as a natural part of its mandate, a definition of the role of what we refer to now as the licence issuers, all those 288 people. We certainly more than respect—we recognize, first and foremost, the contribution they make.

Mr Turnbull: But they want to know, will they continue to have their jobs until after the next election?

Hon Mr Pouliot: Thank you very much, Mr Turnbull.

Mr Wayne Lessard (Windsor-Walkerville): A number of the issues that I was concerned with have been raised over the course of the last couple of days. One of them was with respect to the 25-metre trucks. I know this came up in discussions yesterday, and as part of the considerations that were addressed was the safety factor. I know that the safety of trucks on the highway is important to most people who drive on the road, and I've noticed myself that the number of trucks on the highway has increased in the last few years.

I've seen some programs on TV—I don't know whether it was on *The 5th Estate* or what program it was—referring to the strengthening of rearguards on trailers and the possibility of requiring reflective strips on the sides of trailers and indicating that something as simple as reflective strips would really increase the visibility of truck trailers when they were making turns. I wonder whether we're developing a policy with respect to the safety of trucks in considering the length of trucks and trailer combinations and those factors that deal with these safety matters as well.

1050

Hon Mr Pouliot: The point is well taken. It's a safety issue. We're constantly monitoring the safety and its requirements. I think it's safe to say that truck traffic has more than doubled in the past decade, and it is a problem. A good percentage of trucks are not roadworthy, jeopardizing the safety of others and themselves as well. So it's a dilemma. Since it's a technical question, I will refer the question to Mr Alex Kelly.

Mr Kelly: We are concerned about the override possibilities on the trailers. The standards for vehicles are under the control of the federal government and this ministry has gone forward to the federal government asking that a technical solution come for the overriding ability, running under the rear of a trailer.

The issue is based around the fact that trailers go to different clients and they have different loading docks and it's very difficult for them to come up with a particular standard. That's one issue. The other issue is that trailers move across interprovincial boundaries. They come in from the States and they come in from other provinces.

We have to get the federal government to come up with a technical solution for the override. They're going to start the research on that. Having done that, we'll want to encourage other jurisdictions to do the same thing, because the trailers move around a great deal.

We have technical reports concerning the stability of trucks in the highway system and we're continuing to track that and to look at various configurations. Indeed, most of the federal government's studies and the studies we have produced are allowing the manufacturers now to manufacture their trucks and trailers with better axle spacing so that there's more stability in the highway system.

Mr Lessard: I was asking about reflective strips along the side as well. Is that included in federal standards as well?

Mr Kelly: That's included in our proposal to the federal committee on standards for trucks.

Mr Lessard: On the next question I have, I don't know how closely related the ministry might be with respect to this issue, but in other parts of Canada there has been a move towards having local airport authorities involved in running airports. In the western part of Canada they've taken over the airports from the Department of Transport. I know the chamber of commerce in the Windsor area is interested in the possibility of turning the Windsor airport into a local authority.

I know that at the present time air traffic is under the jurisdiction of the federal government, but I suppose if it's transferred to more local authorities there may be some possibility of involvement from the provincial government, because there would need to be transportation links, for example, to those airports as well. I suppose that at some point people who are involved in advancing this idea may look to the provincial government for some support. I'm just asking a general question as to what efforts or policies we may be investigating at this point.

Hon Mr Pouliot: A very timely and interesting question, Mr Lessard. A good deal of ink and many, many hours have been spent on proposals for airport authorities. Of course, it does require legislation. It's a problem that borders on the extraordinary, that unless you have local people, be it regional mayors in the Metropolitan Toronto area, to coordinate efforts so that not only is Pearson the hub of Canadian flying, if you wish, but its relationship and its relevance, how do you make things happen between—what's Sifton's place, the other airport?

Mr David Guscott: Buttonville.

Hon Mr Pouliot: Buttonville, that's right—Hamilton, for instance, and Metropolitan Toronto.

There are others, but no one is better equipped to answer and to shed some light, give us an update, than Mr David Guscott, for he's been the representative of the government on those panels.

The Chair: Now I know why all the staff show up for these estimates. Welcome.

Mr Guscott: My name is David Guscott. I'm assistant deputy minister for policy.

In response to Mr Lessard's question, the ministry's, the government's and indeed the municipality's interest in local airport authorities stem from two basic principles. First of all, airports are a major generator of economic development activity, and in fact the North American professional association of economic development officials has ranked airports among the top three determinants in the decision-making for companies to locate in a particular area. That has not been lost on municipalities throughout North America. There is a strong movement towards the creation of local airport authorities for competitive economic development purposes.

The other rationale for doing it relates to a desire to have local decision-making about the airports that affect a particular area. In Canada, until the federal government announced its policy in 1987, the decisions about all of our national airports were made in Ottawa with virtually no local input.

You're quite right: There has been a lot of activity since the 1987 federal announcement of a desire to transfer the airports to local authorities. Vancouver, Edmonton, Calgary and Montreal have had local airport authorities up and running within the last four or five months. The federal government showed very little interest in moving towards a local airport authority for the Toronto area, and in fact discouraged it somewhat.

Notwithstanding that, the Ministry of Transportation funded a study in cooperation with the Office of the Greater Toronto Area and with the municipalities in that area for an impact of what a local airport authority could do in the way of the system of airports from St Catharines right through to Oshawa. Their report, which was completed in 1990, came out strongly in favour of a local airport authority to run that whole system of airports.

As I said, the federal government was not particularly interested in advancing that. Pearson, one of the airports which would be included, is the only highly profitable airport in the entire Canadian system and they were somewhat reluctant to include that in the transfer program.

However, in February of this year, when the province was presenting its position on the expansion of the runways at Pearson International Airport, there was a condition on provincial support for that expansion that related to the fact that we needed a local airport authority. Besides the economic development aspect, it related to the fact that an expansion of the runways would have a severe impact on the communities around the airport and there needed to be some local input into some of those decisions. For example, the way the airports are operated and whether some of them are used for landings or takeoffs in particular conditions can dramatically affect the impact of the airport on those people.

Over and above that, there is interest in local airport authorities beyond the Toronto area. Ottawa is investigating it. As you mentioned, Windsor, and Thunder Bay as well are proceeding now to explore the possibilities of local airport authorities, and we are working with those communities in that regard in helping them organize and helping them bridge the discussions with the federal government.

Mr Lessard: Okay, thank you. The final question I have is with respect to the bicycle policy that was released at the end of the session, in June. I know that in my own community it generated a lot of interest in the parks and recreation departments and the public works departments.

A couple of years ago we conducted a bicycle use development study in the community, one which was actually the recipient of several awards in Ontario and I think in Canada. It does set up a planned bicycle route system throughout the city, and since that time the city has been making some yearly progress on extending those routes in the community.

When the announcement of the bicycle policy was made, it didn't go unnoticed that there was going to be some allowance with respect to providing funds in conjunction with road development and road building to include bicycling facilities at the same time with, for example, perhaps a wider shoulder or something of that nature.

One of the questions that came up at our city council was whether they should submit the bicycle study to the minister or to the government for approval so that they might be able to apply for funding for bicycle facilities on roads they might be building. They were interested in knowing what sorts of facilities might be covered through this change in policy direction, whether it only included work that was being done on roads or whether it might include connecting sections that go through parks, for example.

I wonder if those three issues at least could be addressed.

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Hon Mr Pouliot: Suffice it to say there is a growing number of cyclists in Ontario: Population a little more than 10 million people, and two million cyclists. One of every five Ontarians is a cyclist, three million bicycles, a contribution to the economy of \$150 million per year, a recognition that it should be part of the infrastructure. It's here to stay. A good many people use a bicycle as their sole or main source of transportation to work. It's gone beyond the almost exclusively recreational aspect of bicycles.

What we said is that in the revised policy we will include those facts. We will give it a little clout. There's a wide range of initiatives that will be reflected with the implementation of policy, and there's a buck attached to it. Too often governments pass legislation and they forget to include the cheque. Well, not in this case. It's a step-by-step approach.

There's a partnership involved also, that the municipalities have a say. So one would say that it's to some extent the sort of arrangement that's already in place for the road system for other structures such as bridges. You have an agreement, a formula, with the provincial government. In this case more money will flow from the province to the municipalities to address the needs of cyclists in its infrastructure.

Also, I want to thank George Dadamo for his contribution. We took advantage of this opportunity to recognize the positive contribution of mandatory helmets, and the sponsor was Dianne Cunningham, a friend and a colleague who sits in the vicinity of where Mr Turnbull sits in the House. When it comes to safety, we certainly go beyond the need to have any political stripes to debate among ourselves, so we all in unison said, "Let's go forward and do that."

Gerry Johnston, will you kindly privilege the committee by highlighting what the revised bicycle policy will entail and broadly summarize it?

Mr Johnston: As I'm sure you're aware, the previous policy the government was operating under was over 10 years old and didn't really recognize bicycles as a form of transportation, but we did support certain safety activities and it was probably long overdue to update that policy. The minister has outlined some of the basic elements, that bicycling is now recognized as a form of transportation eligible for the normal support and assistance and that funding will be provided in that regard.

What we are trying to do now is to encourage municipalities—and I was glad to hear a comment about the municipalities' interest in preparing a plan that would include bicycles and their legitimate role as a transportation mode in all their new planning activities or updating of their official plans or whatever, to incorporate the role of bicycles in that planning activity, and we would work with them and participate in that.

The support that would be provided would be the support that would be associated through our normal transportation programs, in our road programs if the bicycles are being incorporated into the shoulders of the roadways, and then possibly cutting through park areas to provide a continuous system. We will be looking at that network and seeing the form of funding and support in accordance with that.

In some cases the bicycle routes may be incorporated into some transit facilities. This is of particular interest in Ottawa-Carleton, where they have the Transitway and they have a lot of interest in providing improved facilities at transit stations where people will actually bike to the station rather than drive or walk to the station, to encourage more use of bicycling as an access form to a transit station. We are assisting them in the planning for that and the implementation of those bike facilities at a Transitway station. If they get into incorporation of bicycle paths into the Transitway itself, we would include that as a part of the Transitway system and fund it accordingly.

I think there is a lot of interest across Ontario in bicycles, a growing interest, and I'm sure a lot of municipalities will be picking up on this policy and developing plans, trying to get some implementation programs in place.

Mr Sorbara: If we had built a bicycle path across Canada instead of a railway, we would not have incurred all the problems that we have today.

The Chair: Actually, when Mr Johnston was speaking, I found it fascinating. You indicated that it hadn't been updated for 10 or 15 years, and yet I recall that my brother, when he was 18 or 19, ran a red light on a bicycle on his way to the pharmacy and he was charged for failing to stop at a red light by the police, written a ticket, major fine, and lost three points on his driver's record and his insurance went up by \$1,000, all for running a red light—a stop sign, sorry. It wasn't a red light, it was a stop sign. He did not stop and get off his bicycle, as the officer said. So it's hard to believe that this aspect is as far behind as you may have conveyed. I was under the impression that the Highway Traffic Act came into full force and effect for bicyclers.

Mr Johnston: The Highway Traffic Act would be different from the bicycle policy, which more or less lays out the type of assistance and support that the province will give. But the last policy in terms of education and safety and participation in bicycle facilities was in 1982.

Mr Sorbara: If your brother was charged under the Young Offenders Act, he certainly would have been given a new bicycle.

The Chair: Maybe by your government. I will recognize Mr Sorbara. You were big on giveaways, as I recall.

Mrs Caplan: Never enough for you, Cam.

The Chair: When it came to health care, Elinor, that was true. I appreciate the committee allowing me that moment, but I couldn't resist. Thank you. Mr Eddy, please.

Mr Ron Eddy (Brant-Haldimand): Sound barriers are much needed on controlled-access highways, but it concerns me that considerable cost of course is incurred. They are very expensive structures. They are probably draining money off from much-needed road facilities. But I wondered if criteria or warrants had been developed for their installation, or whether there's a policy that they're going to be installed in all residential areas, or whether it's done on a petition or complaint basis.

I also wonder about the material. I expect it's all aggregate, and I wonder if we've looked at the possibility of using recycled tire rubber in those. I've heard that it is a possibility and probably should be it, considering the number that are going up. It would seem to be rather a good thing to do that.

I also wonder—I'm sorry, a series of questions—whether there's been any experience with adverse effects with them in bad weather conditions. I don't know whether you've run into that or not. It's perhaps a tunnel effect in places, and I just wonder if we've had any experience that way.

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Hon Mr Pouliot: Quality of life and safety aspects: Sound barriers are increasingly, and we feel rightly so, finding themselves in the criteria when you build a road project. Not any road project, but if you enlarge or build a highway, surely the quality of life of people who reside or work in the surrounding area has to be reflected in the policy and devices have to be erected to maintain that quality of life.

In most cases we're dealing with sounds and noise, in some cases obstruction of views as well. But to put it in a better perspective, both Ms Kelch and Mr Vervoort are experts, and their qualities are legion. I can assure you their faults are certainly not many.

We want to welcome you to the family of expertise provided by MTO. We're listening intently to the fascinating subjects of sound barriers and other supplementary questions.

Mr Carl Vervoort: Perhaps I will begin. I'm Carl Vervoort, assistant deputy minister of operations. The first point in your question was, is there a criterion? Yes, there is. There is a formalized process in place whereby the ministry establishes the sites which are eligible for noise reduction barriers. We do have rating and ranking mechanisms that established priorities for those sites that are identified as eligible.

The criterion has to do with two key parameters. There are several but two are key. The first key one is the extent to which the noise barrier would attenuate noise. The practice there is that the benefits from the installation of the noise barrier would result in more than five decibels. This is technical jargon; "decibels" is a term used to define the level of noise. It's sufficient to say that it is a formal measurement of the level of noise. There is a limit that would trigger the need to install a noise barrier.

The other key parameter has to do with the date, and that date is 1977. It is relevant because it helps to decide responsibility for the installation of noise barriers. At that time, in 1977, there were reviews by several ministries—the Ministry of Housing, the Ministry of the Environment and our own Ministry of Transportation—to deal with noise resulting from roads.

It was agreed that mechanisms would be put in place where any proposals for housing, plans of subdivisions and the like, after that particular date would have in their approval conditions to ensure that the noise resulting from houses being located approximate to the right of way would in fact be attenuated to the levels that were prescribed.

That is the current practice and the responsibility is with the municipalities to enforce it and ensure that those conditions are made applicable to proposed plans of subdivisions.

Hon Mr Pouliot: Excuse me, that was in 1977, sir?

Mr Vervoort: Yes, 1977. That's the criterion with respect to new subdivisions of course. There is a program the ministry has to retrofit and install noise barriers that predate plan approval for 1977, so there is, as I mentioned earlier, a systematic assessment of candidate sites. Those are ranked and prioritized and funds are made available for what is termed a noise barrier retrofit program. Those are scheduled for construction, and we build anywhere between three and five per annum.

Ms Margaret Kelch: If I may, further to Carl's comments, my name is Margaret Kelch, assistant deputy minister of quality and standards. I believe, Mr Eddy, a further aspect of your question related to the potential use of rubber as the material in the noise barriers. I did mention briefly yesterday, as we talked about asphalt and rubber in asphalt, that noise barriers are in fact one of the other candidate areas we're looking at. We do have a couple of test locations around the province. The major issue seems to be flammability. That's what we're trying to deal with, to ensure that we're not putting a product that's going to create greater challenges for us, as well as providing some benefits in terms of the use of old tires.

We have the test locations identified and we will be evaluating them carefully. If you're interested in the results, we can provide them when they're complete.

Mr Eddy: I also asked about the problem with weather, but I guess the more important question is, are they really effective sound barriers? Are they doing the job they were designed to do? I'd also like to know if there is an estimate of cost per kilometre. I realize that it varies with the site, of course. You get into various problems with sites.

Ms Kelch: The question of weather is an interesting one, because any time we put up that kind of linear barrier along the side of a roadway, obviously we're concerned about it. We have done a little bit of homework and research, but there really is nothing definitive that indicates there is a major problem created by these kinds of barriers being put in place.

In terms of your question on effectiveness, as Carl indicated, the major criterion in terms of their placement is that we need to have the level of assurance that at least a five-decibel improvement will be in place. A lot of that is determined by the geometry of the road as well as the topography on the edges of the road. We do need to be assured that's the case before we will consider the placement of a barrier.

In terms of cost, as you say, it varies, because we've used different materials. As you've probably noticed around the province, we do have concrete as well as metal in place, and the costs do vary, but the estimate Carl reminds me of here is about \$500 a metre. So it's not an inexpensive placement, particularly the retrofit program.

Mr Vervoort: Just a supplement on that. With a typical barrier, it would not be unusual for it to approach \$1 million in terms of total capital cost of all the necessary works. So that gives you an impression that it is not an inconsequential undertaking or cost.

Mrs Caplan: I'd like to ask the minister a number of questions. How much time do I have, Mr Chairman.

The Chair: You have about five minutes.

Mrs Caplan: I'm also concerned, as my colleague Mr Sorbara was, that the capital expenditures for the Ministry of Transportation have in fact decreased, and that over the now almost two years of your government, I don't believe there's been a kilometre of rapid transit in Metropolitan Toronto that's been actually constructed.

As a strong supporter of the Let's Move transportation plan, and particularly of the Sheppard subway line, I'd like to ask when you expect there will be a shovel in the ground for some rapid transit improvements in the Metropolitan Toronto area.

Hon Mr Pouliot: I certainly share your concern vis-à-vis transportation. You will recall the responsibilities. They were clearly spelled out by our colleague the Treasurer: You had to put people to work, you had to keep on eye on the budget, you had to be fiscally responsible, and you also had some limits in terms of revenue-raising sources.

In my opinion, we were able to accommodate the things the Treasurer has done. I know you will wish to join others in echoing the sentiment that the Treasurer was walking a thin line, and he's done an outstanding job. I think that should be voiced.

More specifically, in terms of transportation, it wasn't too long ago—"When are we going to see a shovel in the ground?"—that I helped officiate the sod-turning ceremony on an expansion that will exceed \$185 million. Those are massive, consequential sums for an extension.

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As to the Let's Move program, part of it is your legacy. It showed a vision. We're attaching some timetable to it and also sufficient dollars to make a difference, not only in Toronto, but we also have to keep in mind the rapidly changing demographics, being cognizant that within a period of 15 years it's estimated that the GTA population will grow from its present four million to six million people and it will further reflect in its demographics the world mosaic. People are coming from all over to pay us

the compliment of their visit, but on a permanent basis; they're becoming Canadians and we'll all gain on account of it. Transportation as an essential service has to reflect that.

You will of course wish to deal with more specifics, and I will ask our colleague Mr Gerry Johnston to give us some one-liners regarding what is being done under Let's Move, because we too are very excited. A multitude of projects is happening in front of our very eyes and putting people to work, and everybody has been coming en masse congratulating us and wanting to know, like you, Ms Caplan, what is the next step, what has been done.

Mrs Caplan: I thought maybe you could answer that during this estimates process, Minister. I asked a very specific question. Could you just give us some time line of when you expect to be, not at the ground-breaking ceremony but to actually see the shovel in the ground for additional transportation, rapid-transit construction, in the Metro area? That would be very helpful.

Mr Johnston: At this point in time on the Let's Move program two projects have received the environmental assessment approval: the Spadina LRT system in the south limits and the Spadina subway extension from Wilson up to Sheppard. It's expected that construction will start on the Sheppard subway extension this fall, hopefully in September.

Mrs Caplan: That's great news.

Mr Johnston: So there will be some physical activity starting this year. The other nine projects that make up the Let's Move program are in the process of going through the environmental assessment approvals. Some of them have been to Metro council and have been forwarded on to the Ministry of the Environment. They will all be through that environmental process and through Metro by the end of this year and forwarded on to the Minister of the Environment for the environmental assessment process and determinations on that. So they are moving through the process; the construction will start this fall.

Mrs Caplan: Minister, we know how important transportation infrastructure and maintenance and development of the transportation infrastructure is to the creation of wealth within the greater Toronto area, particularly within Metropolitan Toronto. Many of those environmental assessments which are reaching completion I believe could be expedited, particularly the one on the Sheppard subway.

What I'd like to know from you now is whether you would be willing to do what you can to expedite that process so that construction could begin on the Sheppard line, which has, I will tell you, the most amazing amount of public support, not only in the riding of Oriole, but in Metropolitan Toronto, broad support because of the realization that this is about more than transportation and moving people and solving traffic problems, but about creation of wealth and future development for the Metropolitan Toronto area as well. Will you intervene to expedite those processes so that we can get on with construction, create jobs and create wealth in the greater Toronto area?

Hon Mr Pouliot: Intervene, of course I shall not. But while we wouldn't wish to jeopardize the integrity of the

environmental assessment process, I think it's widely recognized that efforts have to be made not to simplify as much as expedite the EAs; that we say there has to be a beginning, a middle and an end to all studies, to projects, food for thought in terms of EAs.

Most people, almost all, in my humble opinion, don't wish to jeopardize it; that's not the issue. But they wish to see the end, the light, the proverbial light. They want to get going with projects, and I share that sentiment. Of course, there's availability of funds, but in my opinion, you're again right on.

If we were to identify one—and we all have different opinions. That's what makes it exciting; it's a diverse world indeed. I know that in metropolitan areas, public transit is truly the democratic system, because it touches the lives of the great majority of people, regardless of the power of the purse to identify. It's what's worked. We've got to make it more available. I am sold on public transit.

If one would have the liberty, the latitude, to say where you would like to leave an impact—I mean in the collective, of course—if you were to show leadership, where you would influence the most, it would be in the endeavours you've mentioned. I'm not talking about specific projects; I'm talking about the philosophy of public transit. In our case it works well, but there's room for improvement, to respond to the needs of the people, so important in people's lives.

Mrs Caplan: When I suggested intervention, I suggested what I consider to be appropriate intervention to expedite appropriately the kinds of processes that often become just very bureaucratic.

This morning Mr Sorbara asked if you would send a signal to Metro council that, after going through these processes on the Leslie Street expansion, in fact the resources would be available to begin, you said no, you wouldn't do that.

I've asked if you would give some assurances that at the end of what is often an overly lengthy environmental assessment process, you would give a signal that you would expedite construction. I'm not suggesting that you interfere inappropriately with the environmental assessment, but you can expedite the red tape, the bureaucratic reviews, that often delay unduly some of these projects which could go forward. I'm disappointed that you've said no, you won't do that.

What I'd ask, Minister—I believe it's likely going to be the last question—is, with a minimal operating budget increase and actually a decrease in your capital expenditure, how can you justify huge increases in your administrative costs? I'll just give you two examples. In your legal services budget, vote 3901, you've had an 11% increase, you have had a 33% increase in administrative services in vote 3903-1, and yet overall your capital budget has decreased and your operating budget has minimally increased. I'm really concerned that you've got your priorities misplaced and you're spending money on the administrative, bureaucratic function, rather than creating jobs in the province by getting on with some of these projects.

Hon Mr Pouliot: The questions are valid. Someone whispered to me, "My God, you've changed, Elinor"—the former minister, the very responsible minister; \$18.5 billion of taxpayers' money to provide the most essential service, that of health, under your jurisdiction—

Mrs Caplan: We also provided them in the north, Minister, you'll recall.

Hon Mr Pouliot: Yes. I'm listening to the right person when it comes to knowing about spending taxpayers' money; it's all taxpayers' money.

Mrs Caplan: And I know you'll agree we were very fiscally responsible.

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Hon Mr Pouliot: Yes. As to the first comments, in our relationship of course we are willing to recognize the priorities established by Metro. The Sheppard extension, just as an example, is Metro's priority. We have to listen to what their priority is, but we are committed to a healthy and positive relationship with Metro and we don't see it as interference but as a normal way of doing business, and I can assure you that this will continue.

The money being spent on capital projects this fiscal year will be approximately the same as last year. There is no decrease in actual dollars. We've explained that time and time again to people who have stayed the course of this committee. We understand that we all have other engagements as well, so rest assured, the capital money is approximately the same.

In terms of your supplementary question vis-à-vis administration costs and fees, let me ask one of our assistant deputy ministers, who's an expert in this field—and he helps compile and therefore explains the figures—Norm Mealing, to help us with value for money in terms of the service that people provide.

In fact, we happen to be understaffed in many areas. I want to take the opportunity, by way of answering your question, to say that you're quite right: We have gone beyond the call of duty. We didn't count the hours. I don't know how people keep doing it, but it's stood up well.

The Chair: You're going beyond the point of the question.

Mrs Caplan: I'm waiting for the minister to give some answers. Is this not a question and answer period as opposed to question and speech?

The Chair: He was inviting his deputy to respond and I was encouraging him to get to that point.

Mrs Caplan: You haven't answered one question, Gilles.

Hon Mr Pouliot: We're trying to help here.

The Chair: Mrs Caplan, Minister, please. Which deputy is going to respond, please?

Mr Mealing: I'm Norm Mealing. I'm the assistant deputy minister of corporate services. With respect to vote 3901, which is the ministry administration program, we actually had an overall decrease in that program of about \$410,000. However, with respect to legal services, you're quite correct. There was a \$203,000 increase in legal services. Largely that was due to the fact that there had

been considerable underfunding of legal services in the ministry in the past. We have added a number of new initiatives, not the least of which is the Ontario Road Safety Corp. We needed to bring on additional legal expertise in that area.

Mr Turnbull: I have two matters I want to speak to you about. I'll just very quickly go through the first one, the question of the placement of signs along provincial highways. It appears that the ministry will no longer allow the placement of non-commercial signs at the roadsides. I'd like you to explain the shift in enforcement. If clutter is the reason for this, I have to tell you that you're now going to be offering this as commercial sign space, so that's a red herring.

I'm going to give you an example. On Highway 86 advertising for the local Presbyterian Sunday school has stood there for 17 years without upsetting anybody. Why are you moving against these people, charities and churches and Rotary clubs, all kinds of service clubs? These people are incensed about it and they want a very clear answer from the minister now.

Hon Mr Pouliot: I'm sure the spiritual leaders of this place of worship, namely, the Presbyterian church that you identified, would appreciate your generosity, Mr Turnbull. We have a complex system. There is nothing deliberate, nothing systematic in punishing people.

Mr Turnbull: So will you rescind this order?

Hon Mr Pouliot: We help people. Ms Margaret Kelch is more able than any of us to bring us up to date on the changes regarding signs.

Ms Kelch: The issue, I believe, Mr Turnbull, to which you refer is that we did have several instances around the province where there were new requests for the types of signs to which you refer. Because of the, as you refer to it, clutter potential, we were concerned that by allowing those kinds of signs in a variety of locations we were going past the point of a reasonable volume of signs to ensure that the travelling public can operate safely and is not distracted. We are very aware that service clubs have a very real interest in ensuring that as people enter communities they know who is there, and often those signs include the times of the month that they meet. Usually it's, you know, at noon on the third Wednesday of the month.

Mr Turnbull: And times of worship for churches.

Ms Kelch: Those kinds of things. We have made a judgement to work with the municipalities in terms of at the entrance to those municipalities; that if the municipalities have a wish to have those kinds of signs continue, we will work to make sure that they can be there. But we continue to be quite concerned away from those municipalities in terms of the potential for increased clutter and, as I say, the potential safety hazard.

Mr Turnbull: Okay. What about the existing signs?

Ms Kelch: Most of the existing signs we will grandfather, if that's still a reasonable word to use. Allow to remain in place?

Mrs Margaret Marland (Mississauga South): No, it isn't.

Mr Turnbull: I don't mind you calling it grandmothering; it doesn't matter to me, now that you've demonstrated that you're incredibly politically correct.

Ms Kelch: We will allow many of those signs to remain in place.

Mr Turnbull: Will you allow them to repair them or replace them as they become old?

Ms Kelch: It depends on whether there's a need for change, whether they are asking for a larger sign, for example, or one that needs to be put into a different location. If that's the case, then the answer would be no.

Mr Turnbull: Thank you. I would just like to move on, Minister, to the question of the relocation of the ministry to St Catharines. There are some 1,400 positions, I believe, that are contemplated, and that's a payroll of approximately \$49 million. The survey that was conducted by your ministry indicated that some 38% of the staff were willing to move.

Would you explain to me as concisely as possible without a long diatribe, if that's possible, what measures you've put in place to hire and train the new people who would be required to fill the spots of the people who are not moving, and indicate what cost that will be and whether it's been reflected in the overall cost projections of the move of your ministry, and also what programs you've put in place for repositioning the workers who don't leave Toronto, and whether that will lead to an increase in the size of the civil service?

Hon Mr Pouliot: I certainly appreciate your concern in the dispensing of service, but you will agree with the human dimension that characterizes your style: "What's going to happen to the people? What about those who say no? What is the timetable? How much is it going to cost? How many jobs are you creating? Is it going to be a new building?"

Mr Turnbull: Yes, they were the questions I asked precisely. I'd like the answers, not a repeat of the questions.

Hon Mr Pouliot: I just want to make sure, Mr Turnbull. You know how determined we are to give you the precise answer to a direct question. Mr Gary Posen will do that.

Mrs Caplan: Could I have a supplementary? There was one question you missed.

Mrs Marland: I have a question.

Hon Mr Pouliot: Is there a crossover?

Mrs Caplan: No, I just wanted to ask if you're going to—

The Chair: Mr Posen, please jump in.

Mr Gary Posen: Mr Turnbull, the ministry has formed a relocation team to provide the administrative framework around this move and to deal with the kinds of issues which you've raised. We indeed have 1,400 positions which will be expected to move to St Catharines. We anticipate that move happening in the latter part of 1994 and in 1995.

Mr Turnbull: Is that later than—

Mr Posen: No, I think that's the time frame. I think 1994 was the target in which it would start. We recognize you cannot move all 1,400 people on the same day, so it's going to have to be something that's going to take place over time.

We have not yet identified which of the 1,400 head office jobs we move. That's one of the activities that's facing us over the next one or two quarters. We have been talking to staff about the general move. Most of the activities in terms of having to take staff out to St Catharines to answer their personal questions are going to have to take place over the next year. The initial survey has shown that some 35% to 40% of people are interested in the move. More may be interested. Others, when they look at it individually, may decide that in terms of their personal situations they don't want to move.

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There are two sides of the question, I guess. One, as we get out to St Catharines, how are we going to recruit? We are already beginning to talk to the city of St Catharines, the region of Niagara, industries and the educational institutions out there in terms of how we would go about doing that. Two, working through Management Board and treasury board, beginning to set the rules in place for how—

Mr Turnbull: Do you have a budget as to how much this total process is going to cost?

Mr Posen: No. Again, that's being worked on by the relocation team, and I expect that over the next few months we will be in to treasury board with a number of budget proposals. Partially, we're waiting for them to give us some of the framework in which we have to operate so that we can respond with the details of our own situation. I expect that's going to get worked out over the next few months, because the aim would be to build the budget into next year's estimates, when it's pretty clear that at that stage some specific steps are going to have to be taken and decided on.

Mr Turnbull: What about the re-placement of people in Metro who don't move?

Mr Posen: That's the discussion going on with treasury board and Management Board in terms of redeployment, ensuring that those people end up on surplus lists as preferred candidates for jobs in the Metro area. I assume that the government will want to provide the assurance to our staff, as they have to other ministries that have moved over time, that there will be every effort made to place them in positions in the Metro area or the GTA so that they don't have to worry about their employment future.

Mr Turnbull: Is there an expectation that this would increase the total size of the civil service?

Mr Posen: No, I think that has to take place within whatever parameters the government will set for the size of the public service.

The Chair: Mr Turnbull, I have two supplementaries waiting on this line of questioning, but if the committee will forgive me, as Chair I have talked directly to the relocation team and I've been advised by it that three separate proposals have already gone before Management

Board. So there have been three Management Board orders already approved by cabinet. On behalf of the questioners, I would ask where in the estimates those moneys are coming from.

Secondly, I've been advised by the relocation team that space has been leased in the city of St Catharines, and I have an address for that, that a contract for \$50,000 worth of furniture for the temporary lease facility has been let and that the terms of the relocation for employment have been met. There is still some outstanding controversy about buying out mortgages from families who relocate from Toronto. The cost that was shared with me could be close to \$1 million in buyouts just in mortgages alone.

I didn't bring my notes with me, but I have about eight pages of notes I pursued in this matter, and I'm surprised to hear the deputy say that they're not in the estimates book before us when your ministry shared fully and openly with me expenditures for the relocation team and the project. Forgive me for raising these, but it flies in the face of what I just heard.

Mr Posen: Fair enough, because, as I said, there is a relocation team in place. There is a small team that's there that's doing the planning, and obviously we're paying for it. But I think the nature of the question is, what's the all-in cost?

I know the board itself is looking at the framework and the rules of the game for the several ministries that are involved in moves. We have participated in terms of providing the MTO input into that, but I am not aware that the board has made a decision in terms of the rules of the game. I guess we had a briefing on it within the last week, and those rules are not yet there.

That the board has been looking at the range of things would not come as a surprise, but all I can tell you is, within the most recent briefing I had, I've been told the rules are not yet set.

Mr Turnbull: My concern is as follows, Minister and Deputy—I want to leave some time for Mrs Marland—I don't want to see any of the costs of this move swept under the carpet. I want to see a total costing, including the estimated cost of all the moves, buyouts of mortgages, temporary leases down in St Catharines, the cost of replacing these workers and then an estimate as to the cost of people shuttling back to Toronto after the move is completed.

The other concern is that service isn't disrupted, because, as we saw with the move of the registrar general, it's been a disaster. People are waiting eight months to a year for documents they should have had within four weeks. It is just an unmitigated disaster. I want an assurance from the minister that you're taking steps to ensure this kind of disruption doesn't occur and extra cost to the taxpayer doesn't occur; that we spend our hard tax dollars on improving the roads and infrastructure of this province rather than some bureaucratic boondoggle.

The Chair: Ms Marland, do you have a question on this? If not, I'd like to allow a short supplementary to Ms Caplan, because we will not come back to the Liberals on this.

Mr Turnbull: Excuse me, I'd like an answer from the minister on what I've just said.

The Chair: Yes, fine. It's in order.

Hon Mr Pouliot: Needless to say, while being vigilant, I treat the rendering of services matter of factly. You're responsible to the public, and this will not be allowed to be jeopardized. So the point is well taken.

We will operate on several fronts. In this case, we're determined to proceed, as per the schedule, to move 1,400 jobs to St Catharines. Not that examples abound, but keep in mind the relatively smooth transition of the Ministry of Northern Development and Mines to a more natural setting, that of northern Ontario.

Mr Turnbull: You're ignoring the example I used, Minister, which affects everybody in the province, and service is just a disaster.

Hon Mr Pouliot: When you say "service," you seem to use such eloquence, but I wish your dictionary of synonyms would be accompanied by one of antonyms to be more balanced. What an extreme expression of bad faith in the system that you help support. You're very much a part of the system. How do you make it better?

Mr Turnbull: What would you call a ministry that is rendering services in eight months to a year that should take four weeks? Is there any other expression you can use in your dictionary?

Hon Mr Pouliot: Stop selling fear.

Mr Turnbull: That's not fear, that's fact.

Hon Mr Pouliot: The system works well because good women and good men, good Ontarians, are making it work that way.

Mr Turnbull: Ask anyone who has used that ministry for service; it's a non-service.

The Chair: Neither of your comments is going to make it into Hansard, which may or may not be a shame. Mrs Marland, was that a supplementary on this question?

Mrs Marland: I don't mind yielding the floor, as long as I get my entitlement in time overall.

The Chair: You will. I'll ensure that. I just wanted to make sure if we could stay on the subject.

Mrs Marland: Mine isn't on this subject.

The Chair: A brief supplementary from Mrs Caplan, please.

Mrs Caplan: What I'd like is a clarification from the minister. I had a constituent contact me. She notified me that ministry staff believed that in fact the move was not going to take place. Notwithstanding the fact that there's a relocation team in place and planning is under way, there is a message that has been sent out internally that in fact the move is not going to happen. If you could just clarify clearly, so I can say to my constituent, "The minister says, 'Yes, it will,'" or "The minister says, 'It's under review,'" or "The minister says, 'No, it's not.'" At this time, it would be very helpful.

Hon Mr Pouliot: It will.

Mrs Caplan: Thank you.

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Mrs Marland: This is a matter that the ministry is trying to be very helpful with, Minister. It's a constituency problem for me, and I know Mr Vervoort and some of his staff are familiar with it. It's the fact that now we have noise attenuation walls on both sides of the Queen Elizabeth Way coming up to the Credit River, and we have the example of the Credit River bridge itself.

Now in fairness to the staff, in my personal letters to you, Minister, with great affection, your responses come back well drafted by your staff and wanting to talk to me personally about it, which I have not picked up the opportunity to do. The ball is in my court about responding to them, but I thought you might as well know how the issue evolves.

The fact is that the residents in the area have experienced a tremendous amount of increased noise since the QEW bridge over the Credit River was repaired. In my round of correspondence with you, I've suggested that a study should be made of what methods for improving the Credit River bridge could be introduced to resolve the problem about the increased noise. It's all to do, I understand from your staff, with the fact that the expansion joints were replaced.

Now in the last letter that came, the response from over your signature, Minister, said, "A study would not show us anything we are not aware of." What I feel is that perhaps there is an admission that there is a sound problem connected with the bridge. You also said in your letter that the ministry has done what it can to attenuate the noise from the bridge.

On a small scale, if you're looking across the province, I'm sure this isn't the number one priority of the ministry, nor should it be in cases of improving highways for safety, but there is a total lack of comfort level for the people in this area since the bridge was repaired, and that's the problem. The trucks come along and they hit the bridge and the noise reverberation is incredible for the people in that community. I'm sure that were you to leave your wonderful riding and reside in my riding, Minister, you would share the concern of the people who are experiencing this.

I'm wondering if, instead of getting the answer that I usually get and have had now in a series of about three letters about, "The ministry's aware of it, nothing can be done, it exists" etc, you would be willing to conduct a study into new methods of attenuation that might help this expansion joint problem and commit to a noise attenuation solution for this bridge.

The Chair: Who wants to try that one?

Mr Vervoort: I will. Carl Vervoort, assistant deputy minister, operations. I will start the response and my colleague Ray Hanton, regional director central region, will supplement.

Your question is, would we be prepared to look further? I'm advised by Mr Hanton that our assessment to date has left us with the conclusion that there is no immediately obvious remedy available. That is not to say, though, that one does not exist.

The question I would wish to have a review done of is the matter of the expansion joint itself. You attribute the origin of the sound to the change in the expansion joint, and certainly from my point of view I'd be willing to undertake a review of exactly what the differences were between the original joints that existed at that Credit River bridge and the ones that are in place today so that before we begin to look at potential solutions, we understand the true sources of problem.

In that respect I would be willing to undertake a further review of the matter, and perhaps Mr Hanton can add further comments with respect to the findings to date.

Mr Ray Hanton: Yes, Mrs Marland. As you're quite familiar, the Credit River bridge is a fairly long stretch on the QEW. The reference to the fact that there would be little benefit gained relates to the distance between the source of the noise and the residents in the area.

The other difficulty we have, from a technical point of view, is in putting in noise barriers and attaching them to a structure. There is great difficulty in doing that. The information I have from my staff is that it would not be feasible to do that on the Credit River bridge.

What I'd like to do—

Mrs Marland: Excuse me for interrupting. Just so that I can help you, I'm not asking about the noise attenuation walls, because I understand why those can't be on the bridge. The bridge isn't designed to carry the weight of the noise attenuation walls. The residents have accepted that and so have I.

What we're talking about is not the traffic noise that comes funnelling out of these walls; we're talking about the fact that the bridge itself, in its structure, has become more noisy since its reconstruction which, I was told by your staff, was the expansion joints.

Mr Hanton: As Mr Vervoort has indicated, we're quite willing to look into the actual function and the design of that expansion joint. I can tell you that one of the worst engineering problems we have in the province is expansion joints at structures, and we do have difficulties with the design and installation of them with regard to noise and vibration. I'm quite prepared to look into that and make you aware of the findings.

Mrs Marland: That's fair and I appreciate the offer, Minister. I think the point here is that the bridge was not noisy before these new expansion joints were put in, so maybe we should look at going back to however they were built before. I realize that in a climate like ours we have to have expansion joints. I concede that and so do my residents. It's something to do with how they're in place, how it's designed, and when trucks hit them, particularly empty gravel trucks and so forth, the noise is tremendous.

The Chair: Thank you, Mrs Marland. Mr Cooper.

Mrs Marland: I'll look forward to that response from the ministry.

The Chair: Mr Cooper, you've been most patient. You had a question before Mr White?

Mr Mike Cooper (Kitchener-Wilmot): Thank you very much. First, I'd like to congratulate the minister for

some of the things that have been going on in Waterloo region with the six-laning of the 401—it's really appreciated—and the two-laning of Highway 7 to New Hamburg. It's really cut down on some of the congestion in that area.

My concern right now is about GO Transit. I understand it was discussed yesterday, but when you look at the central region, what you're doing is talking about Kitchener at the western end, and Kitchener relies on a lot of other communities for a lot of its services. When you're talking about hospitals and things like that, we have to rely on Chedoke-McMaster in Hamilton, on London for the psychiatric services and on Toronto for a lot of services for our transit. When you talk about workers' compensation and things like that, we have to rely on Toronto because Kitchener's been left out of a lot of services for some reason. I can't understand that, because we've always had good representation here at Queen's Park. Right now, in Waterloo region we have a real lack of transit service for these communities, especially coming into Toronto.

What I am asking is, are there any plans to extend GO Transit out to some of these communities where they have to rely on services such as are provided in other cities?

The Chair: Is Mr Smith still here?

Hon Mr Pouliot: Yes, Mr Smith is here. We thank you, Mr Smith. The ongoing success story of GO Transit: You see a certain logic going from Toronto, for instance, to Milton, linking up with the rail that's already in existence in Cambridge, and then on and on with the success story, reaching Kitchener.

Mr White: And Bowmanville.

Hon Mr Pouliot: And Bowmanville.

The Chair: Welcome back, Mr Smith. Did you want to respond to that question?

Mr Tom Smith: I think Mr Guscott might make the first comments.

Mr Guscott: I'll begin. Mr Chairman, let me explain that this is a two-person answer, because the ministry is dealing with some broad issues of transportation policy in southern Ontario and Mr Smith can comment on some of the particular issues.

We are aware of the popularity of GO Transit throughout the area beyond its present service area. Where things reside now, we have two initiatives under way to evaluate that.

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First of all, we are completing the development of some standard criteria which would be used in determining where GO Transit service ought to exist. It will include the impact on various other government policies, such as urban form, environmental protection, preservation of agricultural land etc, and the work under way in other parts of the government with respect to the system of communities throughout southern Ontario.

Over and above that, in terms of overall use of various forms of passenger transportation service, we have a study under way—it's in a preliminary draft stage at this point—which identifies the fact that we have corridors of service in some areas, we have a hinterland and a commuter shed

in other areas, and that we must find a way of balancing both the publicly and privately owned public transportation services as they deal with those communities. We hope to have something ready for discussion later on this year which will address Kitchener's needs and those of other communities in that context.

Hon Mr Pouliot: Mr Cooper has a supplementary to respond to the needs of his constituents.

The Chair: Would you like to enhance that answer, Minister? Do you have a supplementary, Mr Cooper? We only have a few minutes left.

Mr Cooper: When we approached the previous minister, he was talking about a GO Transit rail service where he wanted to make it almost like an above-surface subway, and he wanted to keep it in the GTA. We don't really want to be a bedroom community to Toronto because of the strain on the services back in Kitchener, but there are services that are provided in other communities where we have to come out to them. Have there been any studies on the buses that have been put in place since we've expanded the services and the usage and whether or not people are taking advantage of the bus services?

Mr Guscott: Let me begin by saying that within the GTA it's the ministry's and GO Transit's intention to provide all-day two-way service to those communities. I guess your analogy of an above-ground subway is close to that view.

Over and above that, there are communities beyond that immediate service area that have asked for morning and afternoon commuter-related services. That often and usually includes both rail- and bus-related features, because GO Transit has developed a system whereby in most of the areas it serves, until they have reached the capacity to provide two-way rail-related service, they have rail service augmented by bus service. That's certainly the way we see being able to financially provide GO service in some communities.

Mr Smith may be aware of particular studies on GO bus service in the Kitchener area.

Mr Smith: I think the reply by Mr Guscott is probably adequate, unless somebody has some further question beyond.

The Chair: Mr White, recognizing the hour, a brief supplementary.

Mr White: A very brief question. Yesterday, you commented upon how the progressive and upstanding community of Whitby was integrating its system with the GO system so that when using the Whitby transit, one could combine that cost with the GO pass. For my communities, Oshawa and Whitby, many of the commuters are faced at the other end with another government, the Metropolitan Toronto government, with the TTC. Has that particular transit commission as yet seen the light and the importance of integrating its fares with GO?

Hon Mr Pouliot: We have more and more integration. It makes little sense, in this case, to have the proverbial Miss Jones, 74 years old, going to the comfort and solitude of her apartment to see Fluffy the cat, having to dig in her purse for another quarter or another dollar to feed another

fare box because some mandarins, some technocrats or some politicians, or all of them together, have painted a line, imaginary or otherwise, and that's what's happening.

What we're trying to say is put the people first. How do you make it possible to integrate, stop the duplication? Politically it means responding to the needs of people. Put their welfare ahead of our or your own. That's what you're asking and that point is well taken.

In the case of GO Transit, everyone wishes—and you're right, in some circles there is a tug of war, a philosophy where people will say, "If you provide the service, you are encouraging sprawl." Using that sort of terminology gives a negative and biased opinion before you even develop the team. It's not candid; it's the opposite. It's prohibitive. The other school of thought is that people are paying taxes, and God knows they're high, so what you do is bring the service to respond to the needs of people. So it's this and that.

By the same token, there's only so much money available. You have to act in a systematic, deliberate way. There has to be an organization. GO Transit and its evolution, its expansion, must not fall to the whim of political philosophies because you go into somebody's riding one day and you say, "We're going to have GO Transit because everybody loves their mother." It has to be planned. It has to serve people.

We're determined, depending on availability of funds, recognizing the demographics, the ability to connect the GO Transit expansion with the system, a multipurpose use—and yet in the strength of an integrated system. That's what Mr Smith and Mr Guscott are saying, and that's what you've asked. We're going forward, but it's a step-by-step process.

It says tout fini here. It being past 12 of the clock, the Chair would like to address the committee.

The Chair: Thank you for the short supplementary. If I might, our time is almost complete, but I did have one item which was brought to my attention recently. It had to do with the Kristen French inquiry and it does affect the Ministry of Transportation. With the committee's indulgence, I'll simply suggest this.

The Ministry operates monitoring stations at several key highway locations, the QEW and several locations, but also the bridge at Welland. It's come to my attention that the tapes kept of the traffic are only saved for a short period of time. Apparently, the police failed to contact MTO for copies of the tapes of the traffic, and it would have been very helpful in identifying the car that everybody's trying to identify. Incidentally, I understand MTO cooperates with the police quite frequently in assisting in apprehending criminals, and enhancing equipment allows us to identify not only how many people are in the car but who the people are.

Given all of this, Minister, I wonder if you could undertake to examine the policy which says the tapes are only kept—whatever the time frame—30 days or 60 days. If this is not a great expense, this simple act may have assisted the police in what has become a most expensive and most protracted investigation of a horrendous crime in our province.

Although the problem is one that was the fault of the Niagara police and their lateness in responding, that's the information that's been shared with me. I would simply like to put it on the record if you might undertake, because I know you share the concerns for ensuring that we're able to assist in these matters. The system which has been explained to me is an excellent one and this is just one of its many uses. But very briefly; our time has expired.

Mr Vervoort: We will undertake to do that review in response to your comments.

The Chair: Thank you very much. Having completed our seven and a half hours of the estimates of the Ministry of Transportation, I am prepared to call forward the votes, if there's no objection.

Votes 3901 to 3904, inclusive, agreed to.

The Chair: Shall the 1992-93 estimates of the Ministry of Transportation be reported to the House?

Agreed to.

The Chair: On behalf of the committee, I'd like to thank the minister and the staff who were present to assist the committee in its deliberations.

Mrs Caplan: Can I assume that those questions the minister did not answer will be answered in writing by ministry staff?

The Chair: Yes. Thank you, Mrs Caplan. That's helpful.

Mrs Caplan: Since he didn't answer any.

The Chair: There was a request for some lists. There were two outstanding requests, as I recall: the lists of contracts that were let, tendered and untendered. Several questions were submitted by both opposition parties; if those could be circulated to the clerk, the clerk will ensure that they are distributed to members of the committee, including the critics and those who were in attendance for these estimates.

There being no further business, this committee stands adjourned until 3 o'clock this afternoon, at which point we will commence the estimates of the Ministry of Industry, Trade and Technology.

The committee recessed at 1211.

AFTERNOON SITTING

The committee resumed at 1504.

MINISTRY OF INDUSTRY,
TRADE AND TECHNOLOGY

The Chair: I'd like to call to order the standing committee on estimates. We are here to begin seven and a half hours which have been assigned to us by the House to complete the estimates of the Ministry of Industry, Trade and Technology. We're pleased to welcome the minister, the Honourable Ed Philip. Minister, you can perhaps introduce your deputy and assistant deputy. You have up to half an hour for your opening comments and then we will proceed in rotation. We're in your hands. Welcome.

Hon Ed Philip (Minister of Industry, Trade and Technology): I'd like to start off, before introducing the deputy, by saying how thrilled I am personally, and I'm sure I speak for all members of my caucus as well as all members of the Legislature, that as the minister responsible for protocol and international affairs and all that kind of stuff, Robert Marland did such a great job as our ambassador and showed such great achievements. I know, Margaret, that you're probably never tired of people congratulating you, but I wanted at least to start off by congratulating you and saying you look terribly happy today. I'm sure you are, and very proud, and we're all proud of you, and maybe we can have a little reflected glory then by just having you as a member of the committee today.

Mrs Marland: Thank you very much, Minister, for those kind and thoughtful comments. I am deeply appreciative. It's such a marvellous experience from a family perspective that it's one I wish all parents could share.

Now we have a gold medallist back in Ontario looking for a job. He's a graduate in finance and economics, as a matter of fact. The glory is there and then the reality follows.

Hon Mr Philip: I think if you passed his résumé to the deputy—because we wouldn't want to say that either you or I were politically tinkering with anything.

Mrs Marland: I do appreciate your comments very much. We were all very proud of all our Olympians in Barcelona this year.

Hon Mr Philip: I'm going to introduce, first of all, Diane Gumbs, the head of research on my political staff. She's sitting over here, and she's the only one I have from that group in my ministry. Then I have a cast of thousands, or at least of half a dozen, from the ministry side, starting off, of course, with Tim Armstrong, the deputy. Tim has been terribly valuable in giving me advice in the last nine and half, or whatever it is, months that I've been minister.

Tim, maybe you'd like to introduce a few of the other people, and I guess some of them we'll just call them up as needed.

Mr Tim Armstrong: Yes. If I introduced everybody I'd be accused of engaging in a filibuster. Let me just say that we have with us Peter Sadlier-Brown, the assistant deputy minister of policy development. Peter is in the front row over there.

Hon Mr Philip: In the blue jacket.

Mr Armstrong: Next to him, Jim McClure, the assistant deputy minister, northern industry division. We have David MacKinnon, the president and chief executive officer of the Ontario Development Corp, and next to me is Brian Wood, executive director, corporate resources division. As the minister said, if we may, we will introduce the others as they come forward to speak to the various items.

Hon Mr Philip: I'd like to start off my opening remarks by saying that this does give me an opportunity once again to meet with this committee. I think it was three weeks—Norm Jamison may remember this because he was with the ministry longer than I was, as parliamentary assistant—after taking over as Minister of Industry, Trade and Technology that these estimates were slated. But it will give us a chance to have a discussion, first of all I guess, about Ontario's economy, about the challenges ahead, about the initiatives our ministry is putting in place to meet those challenges.

As I started to work on preparing this speech I was impressed by the fact that I had so much material and I couldn't possibly do it in half an hour. What I'm going to do is give some general overall perspectives and I hope that we can go into considerable detail on some of the items that you may have particular interest in, because we have plenty of information here that my staff and I are very happy to share with you.

I'd like to highlight some of the activities that the ministry has undertaken in the past year and more particularly in the past 10 months since I've become minister, and also the reasons why we're undertaking these activities, because a lot of them are very new activities to this ministry.

I want to look ahead at some of the things that I think we will be doing in the coming year and years, and in particular I want to talk about our new industrial policy framework for Ontario which I announced in July and which, as you know, has been endorsed very well by people from the Canadian Chamber of Commerce, the labour movement and so forth.

But I'm not just here to talk; I'm also here to listen. I appreciated when there were people like Jim Auld and Jim Snow and others who listened to comments that I've had over the years and they used them. I can assure you that I intend to give you the same courtesy and I will listen to your concerns and your ideas. If you've got good ideas, believe me, we'll look at ways of implementing them. Some of you know that I've taken some of your ideas and implemented them. Gilles Pouliot, the Minister of Transportation, of course is moving ahead with some ideas that have come from one of the more articulate members of the Conservative caucus whose views I share on one of her issues. We're open to this kind of thing.

I've never pretended that I, as the minister, or the ministry are the sole repositories of good ideas, and again, I look forward to hearing your ideas.

For my part, I want to see Ontario move towards a higher value added economy, an economy that generates

wealth, that creates and maintains jobs, that elevates our standard of living. I want to see an Ontario economy that can compete internationally and attract investment and I want to see an economy where women and other traditionally disadvantaged groups can fully participate in and enjoy the benefits of our workforce.

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The 1992 budget underscored my government's commitment to this vision and backed it up with a number of significant initiatives, including the Jobs Ontario Training fund, the Jobs Ontario Capital fund and the Jobs Ontario Homes fund. To support business investment, the government reduced taxes on manufacturing, on small business and on the resource industries and we broadened Ontario's incentives to undertake research and development.

I'd now like to turn to some of my ministry's highlights over the past year. I think that we'd all agree that it was a difficult year for business, for workers, for communities, and this was true not only of us in Ontario but of our surrounding jurisdictions, many of which, if you look at the various research reports, suffered worse than we did, particularly the northern US states.

The recession continued to take its toll. We saw its effects in high levels of plant closures, layoffs and unemployment and in personal and corporate bankruptcies.

There were very few who weren't touched by the recession in some way, including the Ontario government. For the first time since 1945 the provincial revenues went down and this meant that a number of ministries, including my own, were not able to provide the amount of assistance that we felt was needed to be provided.

The effects of the free trade agreement continued to unfold as many feared they would, leading to plant closures and job losses. The GST had a negative impact on retailers. The relatively high Canadian dollar made it difficult for our exporters to sell their goods abroad. These factors, along with high interest rates that have only recently declined, made it difficult for some people in the business world to modernize, to undertake research and development, to upgrade skills in their workforce and, in short, to do the things they needed to do to compete globally.

Given the economic environment, a top priority for my ministry was to work in partnership with business, unions, communities and investors. I want to emphasize the word "partnership" because it underscores the entire philosophy of our ministry. We recognize that the government by itself cannot make Ontario more competitive. We have to pool our strengths with those of our economic partners; we have to make the best possible use of the resources available.

We used a partnership approach in Kapuskasing when the Spruce Falls pulp and paper mill was threatened and as a result we were able to usher in a new worker-ownership arrangement and a mill modernization program. Another important achievement was our partnership with Bombardier and the restructuring of de Havilland. Not only did the deal save a great number of jobs; it will strengthen Ontario's position in the strategically important industry,

namely the aerospace industry, that I have such a personal interest in and of course a family background in.

There were cases that required a good deal of individual attention. I can tell you, as the deputy will tell you, the amount of cooperation I had and the amount of work that Michael Wilson and I personally put in, particularly over the Christmas holidays, and the number of faxes back and forth and phone calls back and forth between us. I really appreciate his cooperation and the help that he was and his sensitivity to that issue and the amount of time that he put in. It shows, I think, that two ministers of different political persuasions working together for a common goal and who act in a mature way with one another can bring about a good result.

Mr George Dadamo (Windsor-Sandwich): It's a miracle.

Hon Mr Philip: It's not a miracle. I think it's fair to say that if a minister other than Wilson had been there, things might have been more difficult. I give Michael Wilson full credit for being at all times professional.

On a more province-wide basis, we continued to implement the three-year, \$57-million manufacturing recovery program. The program has been quite successful, and as a result more small and medium-sized manufacturing companies are emerging from the recession revitalized and poised for growth.

Let me just give you a couple of examples. One such company is the Huntsville-based Algonquin Industries International, a trailer hitch manufacturer which received a \$450,000 term loan under the program. The assistance allowed Algonquin to implement a new business strategy which is expected to add jobs over the next year, increase sales and provide for capital expansion.

We also worked closely with hard-hit border communities to implement a program to combat cross-border shopping. Local committees consisting of business, labour and chambers of commerce were organized in nine border regions. Working in partnership with the ministry, these communities implemented a number of cost-sharing activities such as customer service training and improved merchandising practices.

The results to date have been very positive. As one member of the Fort Frances-Rainy River border zone advisory committee put it: "The loan campaign went overwhelmingly well...The public became aware of just how important businesses are in our town and how we are able to help."

Let me talk about supporting some of the domestic industries. Ontario's economy is not just feeling the squeeze of the recession; it's also undergoing fundamental change in globalization, the changing nature of work and rapidly changing technologies. My ministry has been working with Ontario business and industry to address these changes, to boost competitiveness and to promote economic growth.

Last year our ministry supported and coordinated government participation in 10 strategic industrial investments. These projects will leverage over \$3 billion in investment and maintain or create many thousands of jobs.

In your estimates book page 45, I believe, has a list of those projects if you want to see them and perhaps ask further details on any one of them later.

In September 1991 we signed a memorandum of understanding with the plastics industry to improve skills training, innovation and technology, environmental considerations and other factors affecting the competitiveness of this very important cluster of industries. Ministry initiatives such as the Industrial Research and Development Institute, or IRDI—not on acronyms list; re-establishment of ministerial advisory committees for automotive, aerospace and construction industries, and a special adviser on economic adjustment all serve to bolster the competitiveness and the productivity of Ontario's industries.

If you're reading from my text, then let me just diverge for a couple of minutes on the IRDI, because I think that the IRDI is a good example of the industrial strategy framework that we have introduced. It has worked well in many of the European countries. In the case of the IRDI, the city of Midland came along and put in an infrastructure. We got an investment or a donation, if you like, of \$1.2 million worth of real estate from private enterprise. We invested \$4.6 million, I believe, in provincial tax funds for research and computer equipment for this institute.

The federal government is cooperating with defence industry productivity program, or DIPP, money for training in this institute. Private enterprise is charging memberships for a privately run research institute that will be run by private enterprise, with of course university participation, with fees of \$500 to \$15,000, depending on the company. They have a way of evaluating what the fee is. We hope that will be completely self-supporting by year five.

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I think that's the kind of thing that shows the cooperation between a municipal government, between the federal government, between the provincial governments, between private industry, and where research and development has to be more and more run by private industry and by clusters of companies, if you like, that are close to where the action is and that understand their own business and their own business needs.

You're going to see much more of this. I can give you several other examples that are like this, done through the Ontario Development Corp and so forth, where we are doing that kind of thing. We have an interesting project in Ottawa, for example, in the biological field and done a different way, but it shows the same kind of cooperation.

Large companies are important to Ontario, but small business is a crucial sector of our economy as well. To reflect the importance of the sector, I've assigned my parliamentary assistant, Norm Jamison, to specific responsibilities for small business. Supporting and encouraging small business development is a key component of our overall approach to spurring economic growth and creating and maintaining jobs in Ontario.

The ministry continues to offer a variety of programs ranging from the technical personnel program to youth startup and ODC assistance, all designed to improve the competitiveness of small business.

One service we provide that is difficult to quantify is advice. Many new and established businesses benefit from face-to-face or telephone contact with my ministry officials. Indeed it's not uncommon to have my ministry officials down at the bank talking to the bankers and explaining why a particular loan is a good investment and a safe investment. Sometimes the advice alleviates the need for further MITT services or intervention, but we also see this as an efficient and effective way of using our resources.

Regardless of company size, one of the goals of our ministry and its agencies is to stimulate regional growth by providing local service. We have a network of 38 offices across the province staffed by consultants who are in daily contact with local needs and who work closely with local businesses and communities. This proximity ensures that advice from the local offices is tailored to match local needs. The regional offices work closely with municipalities and business people to attract investment and assist exporters to expand their activities and increase technical capability.

For example, MITT's northern industry division assisted the development of entrepreneurship and the growth of small business, encouraged industrial development and strengthened industry's international competitiveness. In the past year, the division helped attract 78 new clients and investments worth \$168 million and helped create and maintain more than 1,900 jobs. It also attracted investment commitments of \$362 million on 93 future projects.

MITT's four development corporations also supported the development of business through the province. I must say how appreciative I am of the boards of directors and the business people and others who served so well on those boards. And 1991-92 was a busy year for the development corporations, with lending and investment activity reaching high levels, and this with minimal overhead cost. The administrative costs for the corporations were \$15.2 million, only 1.6% of the assets under administration.

Last year the development corporations approved loans and guarantees and investments valued at \$368 million to a total of 4,086 Ontario companies. The corporations also approved \$23 million in export support loans to 55 companies. Over \$62 million in export financing was distributed, a 51% increase over 1991.

New ventures, another ODC program, provided \$46.1 million to assist 3,420 small business startups. Two anti-recession program projects were successfully completed at the corporation's industrial parks in Cobourg and Huron county. These projects created jobs for local contractors and suppliers.

I've spoken a great deal about promoting economic growth, and one of the key ways of achieving this goal is greater innovation.

Technology Ontario, formerly the technology fund, is one vehicle of stimulating innovation in this province. The agency administers nine programs which increase the competitiveness of Ontario's economy through development, diffusion and application of scientific and industrial research activity. Last month, I announced a number of

important changes to Technology Ontario, as well as the name change for the program, to reflect its broader scope.

First, its mandate was broadened to make it a more effective tool for bolstering innovation, and second, permanent financing was provided. As a sign of my government's long-term commitment to promoting innovation, we are committing \$81 million per year to the program overall. This includes extending the centres of excellence funding for another five years, for a total commitment of \$216 million. By the end of 1991, 65 patents and 36 licences to industry had been granted to the centres.

Innovation Ontario, one of the development corporations, approved \$18.4 million in investments, a 57% increase compared to 1991, and invested \$14.1 million, an increase of 79% over the previous fiscal year. This financial assistance is targeted to early-stage technology-oriented companies.

Ortech International also played a role in bolstering Ontario's technological infrastructure. The agency signed licensing agreements for worldwide manufacturing and marketing rights for the gaseous fuel injection system which it helped develop. This project is in the early stages of being launched in North America. I don't know whether you've had a chance to see that, Margaret. It's out there; they'd be happy to show it to you.

I want to mention one further area of activity before I talk about our focus for the coming year. Ontario's a trading province. Our ability to generate wealth, create jobs and improve our standard of living depends largely on our ability to market our goods and services abroad and attract investment to Ontario. Consequently, promoting trade and investment served as a major focus of our ministry.

One of the ways we assisted companies to secure new markets abroad and attract investment is through the activities of our international offices. Working in concert with the domestic network, these offices can provide companies with advice and information on opportunities throughout the world. They also play an invaluable role in assisting Ontario companies to form strategic international alliances.

Our Americas branch targets our latest trading partner, the United States, as well as Latin America. For Ontario companies, getting a foothold in the US market is not only important because of its size; it also tends to be the first exporting experience. Success in this market is often a prerequisite for entering into other international markets.

While the US is important to Ontario, we must continue to take advantage of opportunities in the global marketplace. The ministry's Asia Pacific, Europe, Middle East and Africa branches assisted nearly 2,000 companies to secure sales and investments in those areas of the world. These activities translated directly into job creation and job retention in Ontario.

The integration of the European common market presents both a significant opportunity and a challenge to Ontario companies. The province's continued relationships with the Four Motors opens doors to the European market. In the past year, Ontario signed a memorandum of understanding for vocational training with Baden-Württemberg and joint declarations with Rhône-Alpes and Baden-

Württemberg. These arrangements will lead to activities such as joint venturing into eastern Europe and exchanges of expertise in environmental regulation.

The Rhône-Alpes agreement supports the Telepresence project, a videoconferencing system that facilitates collaborative work over long distances. The agreement will increase the public and private support in Ontario for Telepresence by \$2 million.

We are a trading nation and we are also a nation of immigrants. Ontario continues to attract some 55% of newcomers. MITT has a particular interest in business immigrants. Last year, immigrant entrepreneurs established 549 businesses in Ontario for a total investment of \$88 million, which created or maintained more than 2,000 jobs. Economic immigrants contribute to the social and cultural richness of Ontario.

Carlos Gayoso is a good example of an individual who was assisted through our ministry's business immigration section, and his efforts have added value to this province. Mr Gayoso immigrated from Peru to Ontario in 1989 and with his three partners established Galbocca Fixtures Inc in Bolton. In three years the company has achieved impressive results, now employing 15 people, with domestic sales of \$2.5 million. In 1991, 20% of the company sales were in exports to the US.

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It should be noted, however, that the federal government is in the process of pushing forward immigration legislation, and it is allowing little time for public debate on this important issue. I've expressed my concerns to the federal Minister of Employment and Immigration on two occasions regarding certain aspects of the changes proposed. In particular, Ontario's concerned that giving priority processing to immigrant investors over immigrant entrepreneurs will reduce the attractiveness of the entrepreneur program and ultimately lead to the loss of entrepreneur skills which these people can bring to our province.

One fact should be clear by now: In spite of the recession and global restructuring, Ontario continues to attract investment and our companies are successfully competing in the global marketplace.

The Ontario International Corp, an agency of our ministry, actively contributes to increasing Ontario's exporting capabilities. When Ontario companies sell their services abroad, that often means Ontario's manufactured products will follow.

Last year was the most successful in OIC's history. The agency helped companies such as Babcock and Wilcox secure a multimillion-dollar hydro project in Iran. The contract will result in \$330 million flowing into Ontario, with benefits including jobs and other spinoff activities. It's not only the size of the project that is impressive. In addition, it is a project that creates high technology, high value added jobs in Ontario, and of course increases our presence there. I'd be happy to talk about some other opportunities in that country and the surrounding area that are perhaps spinoffs or in some ways can be related to some of that.

As we undertook all these activities, we were aware that Ontario needed to lay the foundations for long-term

growth. Changes in the global economy have had a profound effect on the types of companies that can succeed and on the way these companies compete.

Ontario needed an organized way to shape its economic future, and the best way for us to do this was a made-in-Ontario industrial policy. By "industrial policy," I don't mean an elaborate blueprint for the economy, nor do I mean an array of expensive government-support programs. I'm talking about a framework that helps business, labour, communities and the government work together to build a higher value added economy: an economy with more and better jobs, more wealth creation, more profitable companies and a higher standard of living. We can do this in a way that reflects our values as a society.

In putting together the policy, we looked at the existing strengths. We saw a well-educated workforce, a well-developed physical and communications infrastructure, a strong resource base and a strategic location in North America.

We also recognized some weaknesses, such as our poor record of: industrial research and development; of commercializing that R and D through innovation; of creating linkages between companies, within sectors and across institutions. Also, we rely too heavily in Ontario on our trade with the United States, and we don't pay enough attention to training and skills upgrading.

Our industrial policy, which will guide the government's activities in the years ahead, builds on our strengths and addresses our weaknesses. It seeks to move the economy to higher value added activities by strengthening our competitive fundamentals. The policy is applicable to all sectors and regions of the province.

To strengthen Ontario's competitive fundamentals, we're going to change the way the government operates. We're going to change the way we invest in the future by focusing on our people and our infrastructure required by an expanding and innovative economy. We're going to invest in people's skills and promote fair and equitable participation in the workforce.

The second area where we will be changing the way government operates is the way we work with companies. We're going to work with strategic groups of companies, with labour and within sectors to promote cooperative actions that solve common problems and that boost competitiveness. We'll continue to help individual companies, but we're going to encourage firms to work together to tackle projects they cannot do alone. I gave you the IRDI example earlier; I think it holds as a good example of what we're about. Projects that will promote the development in their industries is what we're talking about. The key to this effort will be the three-year, \$150-million sector partnership fund.

We are creating the Ontario innovation and productivity service to help small and medium-sized innovative growth firms upgrade and overcome hurdles to future expansion.

We also intend to create an Ontario investment fund to make long-term equity and risk assessment more available to innovative growth companies.

Another way in which we plan to facilitate the business startups and expansion is by streamlining bureaucratic processes and reducing red tape. The committee of parliamentary assistants for small business has proposed a new initiative called Clearing the Path for Business Success, and we're acting on this proposal by establishing a province-wide service so that new business owners can obtain all the necessary forms and advice all in one location.

To link potential investors, both local and foreign, with opportunities in Ontario, an investment development office will be established. The office will be a one-stop shopping information centre for investors and will help them obtain approvals from government ministries.

These initiatives are all part of the ongoing effort to ensure that our ministry programs and services are provided efficiently and return full value-for-dollar to our business clients.

Another essential element of competitiveness is the ability to anticipate and respond quickly to economic change. Our policy focuses on four areas: the greening of the economy, changes in the international trade environment, organizational innovation and adjustment in response to structural change.

A particular concern of the government is the impact of the recently negotiated North American free trade agreement. We have concerns in terms of environmental and labour standards, as do some of our American colleagues in the US Congress, and concerns about adjustments that will be necessary. Ontario has asked the federal government to address these concerns. Indeed, I've had some four meetings which Michael Wilson on this topic.

In closing, I'm confident that Ontario can adjust to change in a way that ensures long-term growth and a higher standard of living. Our province has a number of strengths, and the industrial policy will build on these strengths.

The key is partnership. The responsibility for economic development is shared by governments at all levels, by business and by communities throughout the province, by workers and by our institutions. Together we can build an economy that is more productive and competitive. Together we can build an economy that generates wealth and produces higher-skilled and more satisfying jobs.

Our ministry, our team here, is committed to working with its clients to achieve these goals, and we do this by being efficient in the use of our human and our fiscal resources. I look forward to hearing your comments.

Mrs Caplan: Author.

Hon Mr Philip: Author? I wrote it.

Mr White: Congratulations. Well done.

Hon Mr Philip: Thank you.

The Chair: Thank you very much, Minister.

Hon Mr Philip: Did I do it in 30 minutes, the way I promised?

The Chair: It hardly matters. It was captivating.

Hon Mr Philip: I'm sure it was.

The Chair: I got a lot of work done.

Mr Eddy, I understand, would like to comment on behalf of Mr Kwinter, who for personal reasons is unable to be with us and sends his regrets. You have up to 30 minutes, and then we'll move to the third party, and then the minister will have his remaining time of about half an hour to respond. Please proceed.

Mr Eddy: I certainly appreciate the number of good-news items contained in this speech; that's quite helpful. But I did want and I think we all want to talk about the general economy and indeed how serious the situation is, because in spite of the good areas and the announcements that have been made—thank heavens there is occasionally a good announcement in the economy—there are many bad ones and the indications are certainly very poor.

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If we use September 1990 as a base, which some would want to do because of a particular event that happened then, we note that there were about 314,000 people unemployed at that time, but the jobless lines have lengthened by 90% since then, or some 283,000. Not surprisingly, the unemployment rate has also increased during the same period. In September 1990, 6.4% of Ontarians were without work, and by this July, the rate had jumped to 11%. Winter is coming and it looks like that will increase even more.

The reason for the high unemployment numbers, of course, is simple. More companies are going bankrupt, more plants are closing and more firms are moving to the US. In fact, several US states are present in this very city, wooing our industries that are here, and doing somewhat well. In my own riding, I have had experience with that on an ongoing basis, and it's certainly very serious.

In the past two years, the number of employees laid off has increased by 88% compared to the 1988-89 period. Ontario has suffered more than 75% of the job losses endured by Canada as a whole. One explanation for Ontario's disproportionate share of job losses is the recession and the high level of industrial restructuring the province is enduring.

The country remains mired in a recovery that does not seem ready to end. Indeed, it seems to me to be snowballing. As well, increased global competition has forced many US subsidiaries based in Ontario to consolidate operations, and usually this is at the expense of Canadian operations. The Canada-US free trade agreement, with its mandated reduction in trade barriers, may also—and probably will—have a very serious adverse effect.

While world conditions are beyond the control of the government, the policies of the government are not producing economic conditions that will promote business expansion in Ontario or indeed attract new business to the province.

The initial two NDP budgets have produced higher deficits than this province has ever seen. In 1991-92, the government's shortfall reached \$10.9 billion, more than \$1 billion higher than the Treasurer estimated in his April 1991 budget. This year, Mr Laughten figures the deficit to be \$9.9 billion for 1992-93, which is \$1 billion above the estimate for the same fiscal period contained in the April

1991 budget. So not only is the government running huge budgetary shortfalls, we doubt the present estimates can be kept.

To pay for these budget deficits, the government has been forced to raise taxes: personal tax rates, personal surcharges, the employer health tax, corporate capital taxes and a special surtax on bank profits. All were initiatives the Treasurer introduced in his last budget. All told, that means consumers and companies will have about \$1 billion less to spend and invest because of the government's tax increases.

Boosting taxes can help keep the deficit lower, but at the cost of business and consumer confidence in the economy. We have argued that hiking taxes just as the economy is edging into a recovery is not the best strategy. Removing more tax dollars from people's pockets can shake everyone's confidence in Ontario's economic prospects.

Worse still, other non-measures are hurting Ontario's economic recovery. The workers' compensation fund, paid for solely by employers, is \$10.3 billion in arrears—very serious. Companies know they will have to make up that shortfall in the future.

Then there are the proposed changes to the Ontario Labour Relations Act, the atomic bomb of government public policy that wipes out many things in its path. Regardless of the merits or criticisms of these specific provisions, the legislation has business looking for other provinces and US states in which to place its money, and I think we are well aware of that problem.

Companies like Hayes-Dana are either scrapping potential investments or considering a move out of the province to avoid this law and the anti-business signal it sends out. At a time when provinces are falling over each other to attract new business and investment, Ontario is moving in the opposite direction, bringing new laws and taxes that have companies viewing this province as a place to avoid, and that's certainly very serious.

Now to the Ministry of Industry, Trade and Technology with specific items. The Ministry of Industry, Trade and Technology is doing very little, we feel, to promote economic development and diversification in the province. In July the minister released his industrial strategy for Ontario, which was an embodiment of many previous announcements. Mr Philip talks about the need to develop high value added products as the way to compete in the future. Ontario will not be able to remain as an economic powerhouse by trying to compete with low-wage jurisdictions such as Mexico. Indeed, the province can keep its industrial base strong. The way we can do that is through developing advanced products that can be sold at a decent price.

Unfortunately, the government's industrial strategy offers no blueprint on how to reach this economic nirvana. The July industrial strategy relied upon previous announcements for its substance. In May Mr Philip unveiled his one-stop shopping facility, called the Ontario investment centre for investors, an initiative that he reannounced last month. In May Mr Philip also talked about a three-year, \$150-million sectoral partnership fund, but the government has only allotted \$30 million for this program in 1992-93.

Government has also relied upon other policy initiatives for its economic renewal package. In this May announcement the minister talked about the evaluation and advisory board for the Ontario investment and worker ownership program. This board is not really part of the government's industrial strategy but part of the government's worker buyout proposal which the Treasurer announced in 1991. In effect, the minister is dressing up an old initiative as a portion of his new industrial strategy. Worse still, back in his April announcement of the NDP's industrial strategy Mr Philip outlined the government's program, which included industry clusters and cross-links between sectors, but he also noted that the cost of these new initiatives will be balanced with the government's overall spending priorities. We trust that the specific initiatives can be stretched out now and developed in future years as the fiscal outlook improves.

So the minister has an industrial strategy, but neither the economic conditions nor the government's finances are in sufficiently decent shape to allow it to proceed. Ironically, in the midst of an economic downturn would be the very time when Ontarians would expect some government initiatives or strategy to get the economy going again. But what Mr Philip has outlined is not enough to pull the economy out of the doldrums. In the end, this industrial strategy is divided against itself. On the one hand, the minister makes the correct noises about developing industry clusters in the proper business environment, but he is a member of the same cabinet that increased taxes in the last budget, boosted the deficit to record levels and introduced amendments to the Ontario Labour Relations Act, all of which we seriously suggest hurt the investment climate in the province of Ontario, and it's very serious.

The Chair: Actually, you have additional time if you wish to use it. Perhaps Ms Caplan or Mr Ruprecht had some comments to make.

Mr Tony Ruprecht (Parkdale): I have some comments. When Mr Sorbara asked me to sub for him today he indicated that the minister would make an opening statement and some remarks. I looked forward very much to that occasion, Mr Philip. I had specific concerns about NAFTA, and I was looking forward to your commenting specifically on NAFTA, since this may be hitting us like an economic truck that may roll right over us, yet on page 17, just before your closing comments, you devote a couple of sentences to NAFTA. I have some concerns about that.

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First, are there any economic impact studies done on the effects of this trade deal which has been signed? Of course we know it's not ratified, but nevertheless it's coming down the pipe.

Second, the concern I have would be with the statement that had been made over the last two weeks. This government had indicated that it did not favour the kinds of agreements that were signed. I guess the specific concern would be that if that is the case, a lot of the energy might be devoted to fighting these specific trade deals as opposed to working along, perhaps, with the federal gov-

ernment in trying to come to some kind of knowledgeable working arrangement so that the economy could be developed and put into higher gear. I'm especially looking forward to your comments on those kinds of concerns I have.

Hon Mr Philip: I'm sorry; could you just elaborate a little bit on that? What do you mean by "working along with"?

Mr Ruprecht: What I mean is that the ministry might use a lot of its energy in opposing the kinds of arrangements that have been made or certainly that are in the pipe, yet according to the comments that we find on page 17—there isn't really much in here, Ed. There isn't any meat here at all. You're indicating some of the concerns. You're saying, "We have concerns in terms of environmental and labour standards, and concerns about adjustments." Essentially, that's it: two or three sentences about NAFTA.

What I'd like to see here would be the ministry engaging—and probably it has; I don't know. But if they have, I don't see it in your comments. Of course, you may speak to it in the allocated time. Have there been economic impact studies? How is this going to affect us? How are we going to act? What are we going to do? To what degree is this going to affect us in specific industries, and if it is, what can we possibly do?

Finally, on that specific issue, are we here too early now to think about this? We knew about this for a long time. This is nothing new to Ontario; nothing new at all. We have some concerns about the statements that have been made by the government. Hopefully, something will be coming down the pipe in terms of explanations of how you intend to act in the future and if you do intend to act.

The other comments I have would be about the Ontario trade missions overseas. Apparently, you have 17 trade missions overseas. My comments would be: Are there more planned? Do you plan to expand them? Do you plan to reduce them? Do you plan to have a trade mission going to Mexico, since those are the most recent economic arrangements that have been made between our two governments?

In the estimates, the department expects to sponsor 76 trade missions or exhibitions in foreign countries in 1992-93. That's a drop of seven from 1991-92. If our goal is to promote trade, should we not think about expanding the trade missions, if indeed they are our bread and butter and we can make some economic hay from them?

Then, about the level of export sales influenced, apparently it's estimated to be \$865 million for 1992-93. That is supposed to be a drop of 36% compared to 1991-92. I guess the question here would be, why is this figure falling after increasing during the previous two years?

Finally, Ontario's exports for the first three months of 1992 reached \$17.1 billion. That was up 18% compared to the same period one year earlier. The 1992 figures only represent a 4% increase from the January-to-March period in 1990. Has this been due, essentially, to the recession?

What do you predict about Ontario's trade performance this year, as the growth in Ontario's trade during the past two years has been flat? Does this mean that the programs have been less than successful or are there any other

factors that are included in the assessment of these kinds of decisions?

Anyway, those are some of the comments and perhaps there will be others.

The Chair: Mrs Caplan.

Mrs Caplan: Yes, thank you. There are just a few minutes remaining, I am assuming, Mr Chairman?

The Chair: You could stretch it to about eight if you'd like.

Mrs Caplan: Thank you. It's helpful to know how much time there is.

My constituents in the riding of Oriole are very concerned about the economic climate in Ontario. They're worried about their jobs. I've never seen people as concerned about tomorrow as my constituents are today. They're not satisfied that the industrial strategy which has been outlined by the minister is anything more than rhetoric, and I know they're worried about the lack of direction and leadership that's been shown by this minister in the area of economic renewal and job creation.

Having said that on behalf of my constituents, I was a little distressed when the minister finished his opening comments and I said, "Author, author"—which are usually words of praise for an opening comment—and the minister responded by saying that he had written his statement.

I want to give him an opportunity to correct the record, because we know it's very important for ministers to always tell the truth. If in fact the minister wrote this statement I would be very surprised, having served in government and knowing that there are communication departments that draft the statements for ministers. They then perhaps make some modifications to it, but with a large communications budget and speechwriters on staff, I do not believe that the minister in fact wrote this statement unassisted. I think it would be important for credibility for the minister to take the opportunity to correct the record.

I would also say that one of the criticisms of the minister's stated policy and strategy is that it has been agreed it is just a lot of rhetoric, a rehash of former policy statements, and nothing really concrete. I would hope that during these estimate discussions with the Ministry of Industry, Trade and Technology we can get beyond the rhetoric.

I think my colleague Mr Eddy addressed some of those issues extremely well. There are some concerns about some of the specific programs within the ministry, but overall what the riding of Oriole, and I think the people in the province of Ontario, believe is that Ontario has traditionally been the engine of the economy in Canada. The Canadian economy is sluggish in its recovery from this devastating recession. They expect Ontario, whose economic activity in the past decade outpaced any other part of North America and in fact was a world leader in economic growth—they are really concerned at the lack of leadership of this minister and the NDP government, expecting that Ontario would be a spark for the country and that we would have a climate of confidence that would encourage economic activity.

They don't see and I don't see how the minister's plans have done any of that in the last little while. I know it has been difficult in a time of economic recession, but we're concerned, particularly given the priority of this labour government for labour reforms as opposed to economic activity, how this minister during the estimates process can justify and stand accountable on behalf of his government for the lack of economic activity and the lack of confidence in the province of Ontario.

The Chair: Thank you, Mrs Caplan. Were those prepared comments that you can share with Hansard?

Mrs Caplan: No. I didn't even have a speechwriter.

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The Chair: Mr Carr, would you like to use your time now?

Mr Gary Carr (Oakville South): I want to thank the minister and especially his staff for coming in on this hot day. I know the staff, with lots to do, sometimes wonder a little bit about this process. I see some smiles, so I guess they agree. I think it is worthwhile, even though sometimes some of the people from the ministry do not. I think it's a good chance, and I appreciate, Mr Minister, you coming here and your very gracious offer to listen to some of the concerns.

As we all know, people in this ministry better than anybody else, Ontario is in trouble. Our economy is being battered by high taxation, high government spending and high unemployment.

When I took this position as critic, I took it because of my business background. I spend a great deal of time reading a lot of business material; the University of Toronto gives us a card to use its library, and I read a lot of the MBA books. I asked for this position because it was always a good-time ministry: It was a good chance to get to meet with people in an upbeat manner, as opposed to some of the others which didn't have that history.

But this has been a very depressing period. Recently, the Toronto Star said, "Plant Closings Worst Since 1930s." What's extremely scary when I read this article is that it says:

"Eighty-six companies, each employing 50 or more people, closed down in Ontario....The figures, summarized by the office of labour adjustment, show 11,540 people were affected...including stores, furniture companies and manufacturing."

It says that during the same period last year there were 67 closings and 8,781 employees lost their jobs, so it's getting worse. The scary part is that Kimberley Hawtin, a statistical analysis person, said, "'We're only capturing the tip of the iceberg of what's happening'...explaining that companies with fewer than 50 employees that shut down don't report."

The article continues: "The recession that has gripped most of the world for the last two years has hit industrial Ontario particularly hard. In terms of job loss, it has been the worst economic downturn since the Depression, with at least 260,000 jobs disappearing."

So it has been a very depressing period. Two days later, I read the same headlines, that said the manufacturing

sector has been the most consistent loser, and Ontario has suffered.

So I think the minister is correct when he says the difficulties we are facing are tragic. As this government is finding out, if you don't have the engine in terms of the economy and growth, all the things we care about, the social programs, become jeopardized as a result. We're in a position now where we're laying off nurses, closing hospital beds, cutting back percentage-wise in the transfers we're giving to social assistance, all because of the fiscal pressures that are out there, because this economy is not generating the revenue we'd all like to see.

I'm going to get into some of the specifics, but I wanted just to lay out what I would like to touch on. I'd like to get into a little about the industrial framework. I knew the minister in his speech would be criticizing the federal government. As the minister knows, my mother lives in his riding—maybe she even voted for you, I don't know—and I got a chance to read his newsletter in which he said: "The economy has taken a hammering during the last year. The free trade agreement, the high interest rates and the high Canadian dollar"—

Hon Mr Philip: I saw you take that NDP-Ed Philip sign off her lawn. I want it back. I'll lay charges.

Mr Carr: So I wasn't surprised. I know you did amend it when you talked about the high interest rates, because as most people will know now, we've got the lowest interest rates in 30 years. Anybody who renews a mortgage will know that is so. In fact, as we all remember the early 1980s, many of us had the opportunity to renew our mortgages at close to 21%, and today you can get one for substantially less.

You also talked a little about the free trade agreement, and I suspect there'll be a long debate over the NAFTA agreement coming up. I think this government has already had some criticisms of it. It was interesting to note that in the spring of this year, in spite of the fact that the US is in a recession and in spite of the fact that we're in a recession, we had the largest exports ever to the United States. With what's happened in Ontario, I'm am very surprised we've done as well as we have, with all the other impediments we put in the way of business: the overregulation, the overtaxation, the overgoverning. With all the things we put in the way of business in this province, I'm surprised it's been able to continue and thrive as well as it has.

Having said that, we all had an opportunity to watch the political shows in the States, the Democratic and Republican conventions, and we realize that the United States is also facing many of the challenges we are.

I want to get into the industrial framework. As the minister will know, I went to that presentation. Mr Telmer of Stelco made his announcement and said—I'm paraphrasing—that he's concerned because over the last 18 months they've lost a tremendous number of their customers. Of course, if you look back over the 18 months he was talking about, the free trade agreement, which the minister says is to blame, came in in 1989. They blame Brian Mulroney, who's been in since 1985, but over the last 18

months the only thing that has changed is that this government has come into power.

Just as Mr Eddy did, I would submit to you that the increases in the taxes, the \$1 billion that was taken out—and, as you know, the surtax was put on: Anybody making down to the level of \$53,000 is now being taxed with a surtax. Many of the articles I was reading, also the one from the *Globe and Mail*, said that putting a damper on it has been the tax increases that came in on July 1 in Ontario, BC and Saskatchewan. The minister would like us to believe that holding the line on taxes for industry and business in this province was a success. He said, I think in a statement, that they were lowered. But the fact of the matter is that vis-à-vis other jurisdictions we still have a higher tax rate. It could only be under a socialist government where we would say we don't increase taxes and take that as being a positive.

If you look at what some of the business groups are saying—I think Mr Jamison sat through the pre-budget hearings. I went back and looked at what some of the businesses were saying prior to the budget. For anybody who wants that, the Legislative researcher, Anne Anderson, put together a summary.

The Canadian Federation of Independent Business said during that period, "Rather than fiddle around the edges with initiatives like the \$57-million manufacturers recovery program, government would do better to tax the small firm sector less and leave more money inside the business to help it cope with economic fluctuations and structural changes."

The chamber of commerce said: "The Ontario technology fund, the R and D superallowance and the manufacturing programs are worthless. Government should keep those funds [and] use them to pay down the deficit"—this is my own ad lib: "because most people realize a higher deficit means higher taxes."

So there is some concern out there that business is not being listened to. In October of last year, I received a letter from the Federation of Independent Business. I want to read it, because it talks about what the members are saying. They did a poll, and said: "An overwhelming 85% of the firms surveyed find the Ontario business climate to be unfavourable or very unfavourable. The top four categories affecting business owners' assessment"—are the total tax burden, the recent Ontario budget, the Ontario government's apparent bias against business and the proposed changes to the labour act. "Three of the top four problems are totally under the control of the Ontario government. The fourth, the total tax burden" is not, and on that I would say the federal government and the municipal governments are also to blame.

"It is not surprising, but is none the less disturbing, to find that over one third of the small firms surveyed are considering moving some or all of their operations out of the province." I want to make this clear: This isn't what I'm saying; this is what the Canadian Federation of Independent Business is saying from its members across the province. "Since about 20% of Ontario small firms were considering relocating in an earlier survey conducted in the spring of 1991, a significant deterioration in the

confidence level of small firms within this province has occurred in the past six months.

"The survey results indicated that as many as 500,000 jobs in Ontario [and] 100,000 in small manufacturing firms are at risk.... Even if only a fraction of these small firms actually follow through on their plans, job losses...from the Ontario small firm sector alone can be forecast in the tens of thousands."

They go on to say that, although large deficits were extended into the mid-1990s: "Fully 94% of the members found the budget"—the last NDP budget; that would now be the one previous, so it would be the first NDP budget—"to be irresponsible. The strongest opposition was directed" to the provincial deficit.

The conclusion in the letter from the federation says: "Small firms have said in the past that they realize it costs more to do business in Ontario, but that other benefits of being here have made this differential worth paying. They are now re-evaluating their choice, as they perceive themselves as truly unwelcome in the current environment, as well as being uncompetitive with the extra cost of doing business in Ontario.... The CFIB urges the government to move to restore the balance."

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This was a letter in October 1991. It was interesting as some of the new initiatives came through. I'll speak specifically about Bill 150. I think Mr Jamison may have been on that committee that heard that bill, which is one of the government's major initiatives and one of the big platforms it sees restoring the economy. They came in—it's on page 2 of their brief. I'll read it to you.

"CFIB's analysis of the program shows that the program is not an appropriate vehicle for encouraging modernization, growth and restructuring in small and medium-sized Ontario companies. It also shows that the Ontario taxpayers, including the small business community, will not get good value for their hard-earned tax dollars.... A better use of the \$250 million"—which is projected to be spent—"would be accomplished by reducing the employee health payroll tax on the first \$400,000 of payroll."

So that the government doesn't feel as if the business community is always slamming it, they came in and said, and I may be paraphrasing a bit, "We really, honestly and truly believe all members, including this government, want to help the small business community." They were very gracious. They said, "We realize you really do want to help us, but if you do want to help us, it would be better spent reducing the taxes with the employee health payroll tax rather than proceeding with this bill." Of course, what happened is that the government proceeded anyway.

It's interesting to note that what they did is look at what business is seeing as the major obstacles, and I think most of this will correspond with what the people in the ministry are hearing from businesses.

The number one concern of 87.4% of the businesses is the total tax burden. Again, that isn't just the provincial government's responsibility, because that includes municipalities and the federal government.

The other area they looked at is the government regulation and paperwork, the local cost of government, the workers' compensation—which, as we all know, is at a \$10-billion deficit and costs are escalating—the provincial labour laws, shortage of labour, and then down the list, before others, is availability of financing.

Mr Jamison is back. He may remember that. I think he was on Bill 150.

Essentially, they came in said, "This is what we see as the major problems." The availability of financing is not within the top four or five major concerns. So what did this government do? They put together Bill 150, which basically deals with financing. What they said in their presentation is, "Thank you, but if you want to help us, you could do some things in some other areas."

I won't read the chamber's, because it wasn't on substance; it was more on process. People can receive this. They were very critical of the process of what happened on Bill 150. They basically said, "We weren't consulted until after the bill had been drawn up."

If we keep to the topic of dealing with issues here, because I think that's the important thing, you will see very clearly that there are some major concerns.

I want to talk a little bit about the frustration that's out there now. As you may know, in the letter that went out to the Premier on July 13 the Canadian Federation of Independent Business wrote the Premier, advising him that "CFIB is withdrawing from the business steering committee for the Ontario Training and Adjustment Board." They did this to protest Bill 40.

They go on to say, "No matter what the mandate might be"—of the OTAB board—"any benefit that OTAB might provide to Ontario's economy will be more than offset by the damage Bill 40 will inflict on the province through lost investment."

I don't want to spend a great of time on the labour legislation. As we all know, I spent some time on that committee. A committee is hearing in more depth on that. I'd rather spend it on ministry time. That bill is being looked at.

I want to touch briefly in the time that's left on the industrial framework. I think we were very kind to this minister and this government, giving them time to prepare the document. As you know, they said: "We need time. We need to get in there."

I think I was disappointed more than anything else, because first-year business students are told that any business plan should be specific, it should be measurable and there should be a time frame. When you look at that, coming from a ministry, there are none of those in here. Some would argue that politicians don't like that because they don't like to be measured, but I think when we're coming to an industrial policy framework, we would've expected something that would've been out there. I know some of the words have been talked about as rhetoric. I want to go through and specifically show some of the members who haven't read that what specifically some of the concerns were.

They start off analysing the problems on page 1, which I think is good. They go through to about page 9 basically

describing problems, which I think is very good. Quite frankly, I think it would have been better if they'd said to the business community and people: "Use your library card. Go and grab Michael Porter's *The Competitive Advantage of Nations* and read it." None the less, they summarize it fairly well in those first nine pages. Essentially, they do what I think would be expected. They identify what some of the problems are.

But then, as you go through it, you see that there is nothing specific. You finally get to about page 20, when we jump into chapter 3, when they talk about OTAB, which I think is a very important initiative. Everybody realizes that the prosperity of particularly the next generation will be in direct proportion to the skills and training we give people through the education program. Essentially what they did is they said in this document, "The biggest factor will be training," and they go on to say, "We spent \$930 million on training," and so on.

Of course the problem with that is that it falls under the jurisdiction of Mr Allen, and while that's very important, basically what they're talking about is the initiative of another ministry.

They go on to talk about the \$1.1-billion Jobs Ontario fund, and in typical socialist form, the answer to the problem is to throw more money at it. Honestly, as you follow through this and see on page 21, when they talk about the public infrastructure, I really don't believe that the small and medium businesses are sitting there today saying: "That is just terrific. Upgrading public buildings is really going to help my business survive."

When you look through this document you see very specifically what the government has attempted to do is avoid any specifics. I will say this to the ministry: We on this side had been expecting a more, how shall I say, government interventionist type of policies. So I say to some of the ministry people who may have helped write this: If you did nothing but prevent the government from doing that, this do-nothing document would be better than what we had feared this government would do. I say that because I honestly, truly had expected the government to head in a different direction, and if the ministry had anything to do with slowing the government down in that area, it should be encouraged.

I will now refer to where some of the concerns are. As any people who are involved in the ministry may know, the public auditor, in his report which was tabled last year—I believe it's in November every year—I want to read out of that, and hopefully, as we get into the debate, the ministry will be able to talk about it, because specifically in this program what the government has said is, "We're going to spend more money on helping industry." I want some of the members to listen to hear what the auditor said about the ministry.

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On page 118 they explain what it does: "We audited a representative sample of nine projects funded by the ministry." Financial assistance provided to those projects was about \$170 million; over 60% of that total funding was what they audited. Their audit included discussions with the Ontario government. Their audit was to ensure "that

the projects were properly evaluated for financial assistance prior to cabinet approval" and also to monitor recipients for compliance.

I'd like to get into what the ministry has done about this later on, maybe even tomorrow if we don't get time today in the questioning. What the auditor concluded—not Gary Carr, not Monte Kwinter, not the Liberal Party—was: "the ministry's project evaluation process was unsatisfactory. The ministry's industrial adjustment section lacked a clear mandate. Consequently, some projects which should have been handled by the section were negotiated by an agency. On one such project, the province lost \$8 million."

For some of the other projects, "the need for and level of government assistance were not properly evaluated; reasonable assurance of the project's success was lacking; and information in the cabinet submissions was inaccurate or incomplete." In other words, the people sitting around making decisions at the cabinet table were not even receiving adequate information.

If one is to read this document, the answer to the problem is for the government to spend more money on different companies at a time when the auditor says—not Gary Carr says—that you're not doing a very good job. The word he uses is "unsatisfactory." Now we're led to believe that we're going to reorganize and spend more money in different areas.

The one we're talking about here, the sector partnership fund, we're going to pump \$150 million into, according to our document. I want to go through that specifically, on that page of what they say will happen. As many of you know, one of the big problems with companies right now, particularly small and medium, is the marketing function, so they say the SPF will assist sectors undertaking marketing programs to educate and reach customers. What they say in the bullet points in there is:

"Tourism advertising creating a common Ontario image; sector directories and trade missions organized on a sector basis; helping industrial designers demonstrate the competitive edge that design can provide." They're going to assist the Wine Council of Ontario "for a generic marketing campaign; helping the Ontario road construction industry bring the International Roads Federation Convention to Ontario; promoting Ontario's film industry through...the Toronto Festival of Festivals."

Does anybody in this room really believe that initiatives like that are going to turn around a province that is losing the number of jobs we are losing? I say to the minister, the small businesses out there will not rest assured tonight, reading information that was put together in this document.

I want to discuss a couple of the other ones. On pages 27 and 14 they outline some of the successes. From that standpoint I think it's good. It gives you a good chance to read what companies have done to be successful. I think the companies listed here can be very proud of what they've done. A good point; that part of it I agree with.

So now we're down to page 29, without anything specific dealing with what this government will do. That's well past the first document. On page 29, basically what

they admit there—and I'll paraphrase a little bit—is that the government has to do a better job in dealing with companies. The auditor says they haven't done a very good job. At least they've recognized it down on page 29.

So what is the response of the ministry going to be? On page 29 at the bottom: "A task force will be established to rationalize and integrate provincial reporting, filing and remitting requirements for small business where it is practical and cost-efficient to do. One idea, among others that will be examined, is developing a unified tax return system for small business."

In other words, they've identified all these problems, and what are we getting out of it? On page 29 of An Industrial Policy Framework for Ontario we get another task force that's going to look at it. Quite frankly, small and medium businesses will not go to bed tonight resting assured that there will be anything coming out of this document that will help them.

As the minister will know, one comment was about the barber in Leamington. It was used as a bit of analogy. Small and medium businesses will get nothing out of this industrial strategy.

On page 30 they talk about the backlog in the Ontario Municipal Board, and quite frankly, we all know the problems that are in that area. We've got many problems with government agencies. The rent review is backed up, our courts are backed up, the WCB has a \$10-billion unfunded liability, our tax rates are up. On page 30 they talk about the investment development office, which they're now going to set up to, as they call it, link potential investors and the information they need to make investment decisions.

I hope they keep a lot of the government's initiatives away from this office so the people of this province won't know what is happening in the area of WCB, in the area of regulations, with the labour legislation, because, quite frankly, if anybody calls that office and realizes what's going on here, I suspect nobody will be coming to the province of Ontario.

When I read this over I thought my statement sounded, and it does, very pessimistic. The reason I decided to run for office—and my background is in business—is because I wanted to return this province to prosperity. In a document that has come through here, we have fine words, but nothing specific about what they will do, other than the fact that we're going to spend more money in certain areas, at a time when the auditor is saying you aren't doing a very good job of it now.

The rest of that report goes on to look at the green strategy, which I think is good, long term; some of the initiatives are in there. Again, nothing specific. I would have expected a ministry, some of the others, whether they be Health or Social Services, to deal in generalities and political rhetoric. The Ministry of Industry, Trade and Technology, with the crisis we are in, I would have hoped would have been a lot more specific. Quite frankly, if anybody had taken this and said, "This is our business plan," they would have been laughed at. It's written for, I suspect the highest level would be, at best, high school. So to the minister's staff, who I don't believe were involved in writing most of this—

Mrs Caplan: The minister wrote it himself.

Mr Carr: The minister's the author.

Unfortunately, there is nothing in here which will allow businesses to feel more confident. As I read through that and read through what the ministry is doing, as I said earlier, we gave the minister plenty of time. There was a switch in ministers going way back with Mr Pilkey taking over. We said, "Okay, fine, a new minister came in, we'll let him put his handle on it." To come out with this particular industrial framework, quite frankly, is—I won't use the words to describe it because I will try to be kind, but unfortunately, Mr Minister, this is a failure.

We need things specific, we need to have an action plan of how we're going to reduce some of the impediments that are out there, and quite frankly you don't even need to look for them yourself. If you go and speak to the business groups they'll outline it, they'll do it with charts, as I outlined with the CFIB one, the chamber of commerce. They'll tell you where the problems are.

What we should be doing specifically is looking at the tax burden and saying, "Okay, Canadian Federation of Independent Business, okay, chamber of commerce, this is what we're doing, this is our action plan with regard to taxation, with regard to the labour shortages that are announced here," but that wasn't done and that's why this whole thing has been a failure.

Then on page 38 they talk about labour adjustment. Basically they say, "We're going to lose jobs so here's what we're going to do to help." That particular initiative should have been in with the Ministry of Labour. That outlined some of the programs which many of the people—I think the Liberals supported the employee wage protection fund. A lot of the things in here are labour-related initiatives to help people when they're out of work. They aren't specifically, "What are we going to do in the province of Ontario to avoid what has happened over the last year," which is a tremendous loss of jobs.

So, Mr Minister, in these discussions what I would like to do is get into, during the question period, some of the specifics of what is happening in the ministry in terms of the programs and where it sees these programs going. I think the minister's staff or the people from the ministry must be complimented in one regard, in that they faced a very difficult task during this period. I suspect, if the truth is known, one of the reasons we've faced these problems is I know Mr Armstrong and many of the other people have spent a lot of time on a number of the crises that have hit us, de Havilland and Algoma. I know in my own area, with the General Electric announcement, the Premier's office spent up to a year working on that deal.

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But I say to the ministry, instead of putting out fires on these particular initiatives—and I suspect somebody with the quality of Mr Armstrong will be needed to do that—somebody in the ministry needs to have a long-term game plan so that the people, investors, the small business community, managers, employees and workers, feel confident that Ontario knows where it's going. I submit to you, Minister, this didn't do it.

In conclusion, I look forward to the opportunity of getting into some of the programs and asking some of the questions about what the ministry is doing. I know the ministry people involved in a lot of them are very proud of their programs. Some are them are working well. It's a good process. To the ministry staff, I hope they'll appreciate the amount of time that it's taken here as being worthwhile, because your ministry is critical in the economic future of this province.

Madam Chair, I think my time is probably almost up.

The Vice-Chair (Mrs Margaret Marland): It's just exactly up.

Mr Carr: What timing. I thank the minister and his staff. I look forward to our discussions.

The Vice-Chair: Thank you, Mr Carr. The minister now has half an hour to respond.

Hon Mr Philip: Thank you, Madam Chair. I appreciate the remarks of the opposition members.

I hope that in responding I will have an opportunity to have Mr Ruprecht ask some of the questions that he asked again, because I think they're worth exploring. We have staff here, and as we start looking at the documents, I'd like to go into considerable detail because I think they're good questions and deserve a response. My staff are most anxious to do that. Maybe I can take them in the order I thought they were presented in. There is some overlapping.

With response to the general economy, we had a definite problem in that we took over a government at the time of the start of a recession. It was fairly clear that a recession was coming. It was a North American recession, not just an Ontario or Canadian recession, and we had to deal with that. Of course, part of the problem is that in times of a recession there's a lack of revenue, because people are not making as much profit as they are in good times. Therefore, we had a massive drop in revenue.

I find it difficult, and the Premier said this, to listen to the Liberals when they talk as Mr Eddy has done. I know he's sincere in his comments, but he says, "You have to do more for business. You have to spend more," and then, in another breath, he says, "But you've got a deficit and you've got to essentially reduce the deficit." You know, there's no free ride. Then he attacks increases in taxes, and I'd like to deal with the tax matter in just a minute.

But there is no free ride. There are only a few places that you can get revenue from, there are only a few ways of paying for programs, and I think that when we get into the industrial strategy—and I can give you countless examples—you'll find that some of the things we are doing as a government, with a very small amount of public funding, are actually triggering an awful lot of private investment.

Let me just give you an example of that. A program that I'm very proud of is the investment in Husky. Husky is an excellent company. With a \$20-million loan we have been able to set up a research and development institute on which that company is spending \$196 million. That's not counting what we hope to get, because the federal government, I think, will see the merits of this and will want to get in with some DIPP money and some training funds. Even if you eliminate the operating and so forth, you're

still talking about an investment of close to \$100 million by Husky for a \$20-million loan, and I think that's the kind of investment we are putting in.

Mr Carr talked about small business. I like to talk in the concrete, and you'll find me, during these estimates, using a lot of examples. In the case of Husky, for example, you're talking about working with some 100 or so small companies that are working with them, that are in that industry and that will benefit as a result of this training, research and development program.

When you talk about the kind of money that we are putting into business, some of the money may go to a company that would be a medium-sized company or maybe even called a large company—in the case of Husky, certainly an excellent, mainly employee-owned company in the plastics industry, an international leader in the field. But you're also talking about the kinds of restrictions or, if you want, the kinds of guidelines that we often place on those programs in which we say, "But our policy is that you work with a whole bunch of companies together and that your programs are open, even to your competitors." In the case of Husky, I think we've got a good example.

Both opposition critics have talked about the industrial strategy. They're saying, "It's a combination of some previous policies." Of course, as you develop a strategy, as you look at the strategy, then you are bound to start implementing the strategy. You say, "Look, let's try this set of ideas here." Yes, we introduced the IRDI, and I think it's a very good example of our strategy. Yes, we went up to Ottawa and we set up a health/biotech/sciences development institute or project in which we took 21 acres of land right next to the University of Ottawa biological building and for which we got the cooperation of the municipality.

Both the then mayor and the mayor who won the election after that certainly found it difficult when I kept sending the project back because I wanted more research and development in it and because it wasn't acceptable, but we eventually got a win situation in which we had private enterprise, business, the universities, the various federal research institutes in the area and private enterprise playing a very active role and in which we will get all of our money back. So it won't cost the taxpayers. Projections suggest we'll even make a profit for the taxpayers, while at the same time creating a synergy.

The comments on the industrial strategy I find really strange—the comments by Mr Carr that somehow this is the same as Porter. Well, the federal government spent \$1 million for the Porter report. This report didn't cost us \$1 million. Somebody said the federal Tories spent \$1 million on the Porter report when they could have gone out and bought his book for \$17 and got the same thing and had better value for the money.

Now, I'm not knocking Porter. I think that Porter did one thing that was really very important. That's why it's used in the book; that's why I've used his book and some of his ideas. He basically identified the problems. But like the federal government, like my colleagues in Ottawa—whom I've worked so closely with and whom I have a lot of respect for—they've identified the problems but they haven't come up with any of the solutions.

I think that if you look at what the business community and the labour community said about the industrial strategy framework, you'll see that it was endorsed by the business community. It was endorsed by the Canadian Chamber of Commerce. As a matter of fact, if you read the Canadian Chamber of Commerce's strategy, you can see a certain amount of similarity and a certain amount of complementarity, if you like, to many of the ideas found in that.

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It's not by accident that when I released the industrial strategy, Paul Nykanen, the vice-president of the Canadian Manufacturers' Association, Ontario division, happened to be there. There were a number of people invited—we didn't know he was coming—and he said: "Yes, this is good idea. We've got to move in this kind of direction." Buzz Hargrove, the president of the CAW, was there and said, "Yes, this is the kind of thing that is needed." Stelco's chief executive officer, Fred Telmer, was there and said: "Yes, we've got to have more cooperation between business, labour, management, community and the government. This is a move in the right direction. Let's get going with it."

Some of the members have talked about cynicism. I can tell you of the cynicism of the business community I talk to. I find this particularly in the—if I may use the word—ethnic business community, the people who have immigrated from countries around the world, not just Europe but around the world, who are saying: "Why was it that there was no industrial strategy by the Liberals? Why was it that when they were in power they didn't come up with an industrial strategy where we could see a blueprint? Why was it that the Conservatives didn't have an industrial strategy? Why is it that the federal Tories don't have an industrial strategy?" That's the kind of thing that is noted.

Interjection: What about Montreal?

Hon Mr Philip: One of the members has said, "What about Montreal?" Quebec does have an industrial strategy, and I give my two colleagues in Quebec, Mr Tremblay and Mr Ciaccia, some credit for their strategy. Mr Carr and the Liberals attack mine on not having more content, although it's fairly specific, I think. The business community has said it's specific, the labour community has said it's specific and has endorsed it.

They have an industrial strategy of seven pages. It picked winning and losing sectors. I had a very long discussion with Mr Tremblay and I said, "I think this the wrong way to go. I'm not prepared to write off northern Ontario. I'm not prepared to write off certain communities." When I look at other countries—Japan, West Germany, the Scandinavian countries, even perhaps Korea—I see that there are better ways of doing it than picking winners and losers and writing off whole sectors. We will develop some very specific proposals as to how we go about it.

It's fine for the doom and gloom of the opposition members, who constantly say nothing but Ontario's going to hell in a basket, to talk about how bad things are, but you know, Ken Harrigan, the president of Ford, when we

opened up a very exciting program with him, said: "We're going places here in Ontario. This is a good government." It's on television. We've even got tapes of it if you want. "This is good government to do business with. They understand what an industrial strategy is." He said, "I think we can get the product mandate for a number of Ford companies here."

It's not by accident that GE is starting to put some of their major world product mandates in places like Mr Carr's riding. It's because they know that Ontario is a better place to invest in that kind of thing, in terms of our infrastructure, in terms of our research and development, in terms of the kinds of programs we have, than is the United States. That's why they're locating here, not in the United States, and that's why they're closing down some of their operations in the United States and locating here.

I wish I had more than half an hour. I'd read you the list of companies that are moving from the US, and they're all high-tech companies, but let's deal with some of the Ontario competitors.

The Chair: Free trade's working?

Hon Mr Philip: The industrial strategy of this province is working. Let me get into free trade in a minute. I'm sure that you're all ears and I'd be happy to talk about it.

Let's talk about competitiveness. In 1992 Statistics Canada estimated that there would be a further decrease for Canada of 2.7% compared with a decrease in Ontario of only 1.8%. If you look at where investment is going in this country, Ontario is getting more investment than all the other provinces combined. Where are the Liberal and Conservative governments that are getting all this great investment? They don't seem to be getting very much foreign investment.

If you look at business failures as a percentage of gross product, yes, we're in a recession, and yes, there is a business failure rate. If you compare our business failure rate with that of the 1980-81 recession under the Tories, we're actually doing about the same. Yet what has happened since then is that you've had 10 years of growth that has happened in all jurisdictions around the world, 10 years of growth, yet we're performing about the same.

What was it under the Tories in 1980-81 that created all these business failures? Was it that they were in power at that time? Was it that they had bad policies? Was it that they were sending all the businesses off to another jurisdiction? That simply isn't true.

If you look at the business failure rate in Ontario compared to other jurisdictions—some of our main competing jurisdictions, for example—and the difference from 1990 to 1991, Ontario had a 23% increase, yes. But compare that with California, which had a 58% increase, 476 business failures per million residents. You have to compare apples with apples, so you have to take it as a percentage of the number of residents. Georgia had a 76% increase, Illinois 40%, New York 69%. You see, when you compare us with other surrounding jurisdictions in the States, we're doing much better.

One area where we have been lagging, and that's why the industrial strategy was so necessary, was in research

and development. That's what our programs are designed to do, to increase research and development, using a small amount of money and good policies of getting the sectors together, to get that private sector stimulating R and D.

For example, as a percentage of gross product, in 1989 Ontario spent only 1.64, as compared to Canada, 1.4. We're better than the rest, but we should be; we're the industrial centre of Canada. But when you compare it with the United States at 2.71—there would be a lot of military research in that, so it's probably not a fair comparison. But still, compare it to Massachusetts at 6.49, New York at 2.24, and California, with Silicon Valley and so forth out that way, at 4.43. We have a long way to go in research and development, and that's what our industrial strategy is designed to do.

Training expenditures in Ontario: What our policy is designed to do is increase our training budgets. If you look at the Conference Board of Canada training and development report, it states that companies in Ontario will increase their training budgets by 7.2% in the next fiscal year, and this increase is significantly higher for Ontario than for all the other Canadian regions. For example, compare our 7.2% with Quebec's 3.7% or western Canada's 5.6% or Atlantic Canada's 2.3% and you can see that from a competitive point of view we are moving very, very quickly with our policies of stimulating more research and development and dealing with a problem the previous governments completely ignored.

Let me deal with the tax comments. The corporate tax rate in the budget passed at the end of April, on manufacturing and processing profits, as well as farming, mining, logging and fishing profits, was reduced from 14.5% to 13.5%. The capital cost allowance rate for new investments in manufacturing and processing machinery and equipment was increased from 25% to 30%. You can't argue that we're not competitive and not look at those figures and say, "This is going to improve our competitiveness over what previous governments have done."

For example, Ontario's reduction in the manufacturing income tax rate, when combined with the recent federal government measures, will result in a combined statutory corporate income tax rate for Ontario manufacturers that's four percentage points below the average combined rate in the United States.

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I talk to companies and investors from all over the world; they come in. They are moving into Ontario because they see that Ontario is an ideal place to locate. Geographically, we're within two days' transportation of over half of the North American population. We have a cosmopolitan city and province, where people feel comfortable, where we have a high standard of education.

I'm not taking personal credit for it, nor is this government taking personal credit for it. Every once in a while I get a call from my old friend Jim Snow, who's still a good friend. He gave me more advice when I was Minister of Transportation than I get now, but he still gives me a call from time to time. I give him credit for having built a road system and an infrastructure that I think is better than anywhere else in North America; that I've been in, anyway.

For most types of businesses, Ontario's corporate tax system is competitive with other jurisdictions when payroll taxes and the employer-paid health care taxes are considered. So it's not a matter of eliminating those. If you put them all in together, we're very competitive.

To say, as we're saying over and over again—at least the Conservatives are saying over and over again—that we're being taxed to death sends out the wrong message. That is really being very destructive to our efforts of showing the truth about this province, namely, that we're a very competitive place to invest. If we weren't competitive, they'd be going to other provinces. They'd be going to the United States. They'd be going to some of the other jurisdictions. But they're not; they're coming to Ontario.

Mr Carr talked about welfare rates going up and so forth. Let me spend a moment on that.

The 1992 Ontario budget: The Liberals have pointed out as well, and not insignificantly—although they don't shout about it or talk about it quite as much as we do, for obvious reasons—that Ontario has been forced to deal with a significant loss of federal funding. Cumulative losses are estimated since 1982-83 at \$41 billion. That's what this government and the previous Liberal government had to deal with. But in 1992-93 alone, we get the real crunch of \$9.4 billion out of our welfare and education transfer payments. That's a lot of money when you're worrying about a deficit.

As Bob Rae said to Mazankowski, "Don't tell us to try and balance our budget when you're doing such a poor job and when you're cutting what amounts to almost our total deficit out of our budget through the transfer payments."

Let me deal with a couple of specific things, and then I'd like to get into the NAFTA.

The Chair: You only have about four minutes, Minister, maybe even less, so I'd encourage you to get to the NAFTA.

Hon Mr Philip: Let me deal with—I can't resist a public accounting question, knowing my background—the thing about the Provincial Auditor. I agree with the Provincial Auditor's criticisms 99% of the time. I think I've only disagreed with him 1% or 2% of the time where I thought that his assessment was superficial in some way or did not take certain factors into account.

Of the nine programs Mr Carr refers to, seven of them were programs under the Liberal government. We've taken steps to correct them and we agreed with his criticisms. My staff and I would be happy to take each of them, if you want, and tell you what has been done to correct them. The other two we have also taken corrective action on, and I'm sure Mr Pilkey wouldn't mind if I say they didn't happen under me either; so none of those nine.

But wait for the next Provincial Auditor's report. Then you can come and then I can tell you what I'm doing or what my staff is doing to respond to the Provincial Auditor's report, because I always pay close attention to Doug Archer, and to his successor, who I think is tremendously good.

The Chair: It's interesting that we're interviewing the position next door at this very moment. You have about a minute left, Minister, if you'd like it.

Hon Mr Philip: My deputy points out that the auditor's report—why don't you point that out?

Mr Armstrong: Because you've got the minute and a half left, not me.

Hon Mr Philip: I can't read your handwriting.

Mr Armstrong: It's the role and function of the Provincial Auditor to point out deficiencies, but in fairness to the ODC and to the work that Mr MacKinnon and his colleagues are doing, they have a record of success which is evidenced by some figures.

I'll spend less than 30 seconds just pointing out that 24 of the 75 Ontario Chamber of Commerce award winners for business excellence were ODC customers, 11 of 25 emerging threshold companies identified by the Premier's Council had used ODC programs and 30% of leading high-technology firms in the most recent Financial Post list had used ODC programs.

One acts at one's peril in being too critical of the Provincial Auditor, but I simply wanted to point out that there were success stories to balance the comments. As the minister says, we'd be happy to get into the nine instances to which the auditor refers in that particular report.

The Chair: Thank you, deputy. Perhaps I could at this point indicate that we will be adjourning this evening at 6 o'clock. In the hour that is remaining, I'd like to commence rotation, but I'm in the hands of the committee as to how you wish to order up your time, whether you'd like to pursue the estimates by policy area or by rotation. I'm in your hands.

Hon Mr Philip: Could we do it—

The Chair: I'm in the committee's hands, Minister. Mr Carr?

Mr Carr: My suggestion would be on a rotating basis. It might not be quite as easy for some of the people in the ministry, but it's because of my own situation. My questions relate in order of preference; as you know, what happens sometimes is that we don't get to all the questions. That would be my suggestion. As to time, I don't know whether 10 or 15 minutes' rotation would be acceptable to everybody.

Mr Norm Jamison (Norfolk): The time in three blocks and rotating would be fine. If there were an hour and 20 minutes each, it would be fine with us.

The Chair: We have a prior agreement which flows from our departure half an hour early today. I assume, having checked with all caucuses, that you're trusting the Chair to ensure that the agreement is upheld.

Mr Jamison: Yes.

The Chair: Then I will proceed on that basis. Do you wish to stack the votes and leave them to the end tomorrow? Fine. Then we are prepared to proceed. I would like to invite the Liberal caucus to proceed for the first 20 minutes. Mrs Caplan.

Mrs Caplan: I'd like to ask the minister the question I asked in my remarks. Did you really write the opening remarks yourself?

Hon Mr Philip: It's good to see the priorities of the opposition party.

Mrs Caplan: The priority is that honesty is important.

Hon Mr Philip: I'm sorry. Would you like an answer—

Mrs Caplan: Yes I would, please.

Hon Mr Philip: —or would you prefer to interrupt me, the way you do in the House all the time?

The Chair: Mr Philip, you contribute greatly to setting the tone for these estimates. You are the minister and I suspect that questioning is a difficult process, but I would appreciate it if we could all just temper that and proceed to answer the questions and to ask the questions in such a fashion.

Hon Mr Philip: My speeches, as my staff will tell you, are written by a consensus process in which we outline, we agree what will be in them. I frequently make changes, and they're changed frequently. Sometimes, on rare occasions admittedly, I will scrap a speech and rewrite and do it on my own. I'm sure that most cabinet ministers at some time or another do that.

Mrs Caplan: So the process is the normal one, and the remarks today reflected that same kind of process?

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Hon Mr Philip: They reflected my priorities as discussed with my staff and as prepared by us, yes.

Mrs Caplan: Thank you very much for that answer. Are you willing today to give us an update on the very unfortunate occurrence with Mr Masters, the Ontario agent general in New York?

Hon Mr Philip: The matter is under investigation. We're dealing with a person's career, a person's integrity. I have sought legal advice on this, and my legal advice is that I do not intend to make any comments at this point in time.

Mrs Caplan: I understand that a report has been completed. Will you make that report available to the committee?

Hon Mr Philip: To this committee?

Mrs Caplan: Yes.

Hon Mr Philip: The report has not been adequately and completely dealt with. I think that any report would have to be first of all supplied to Mr Masters, and Mr Masters would have to comment. I have no further comment.

Mrs Caplan: It's my understanding that in fact the report has been completed and given to Mr Masters and that during the estimates process of this committee it's a reasonable request to ask that the information be tabled with the committee. I ask that you do so.

Hon Mr Philip: I'll let the deputy respond to that.

Mr Armstrong: The investigation, Mrs Caplan, involves, as you would expect, investigation into the assertions by staff members as well as any response Mr Masters may care to make. That process has not been completed.

What has been done is that the assertions have been placed in the hands of the solicitors. That's the stage that the investigation is at.

Of course a very important part of the assessment will turn on his response. In terms of producing it, as the minister said, we're under the instructions of counsel. My law is a little rusty, I concede, but I would be very surprised indeed if under the Freedom of Information and Protection of Privacy Act a matter of this sort were available even to a legislative committee having regard to the matters under discussion.

The Chair: If I might interject, that would be the position of the Chair if called upon in this matter.

Mrs Caplan: Thank you very much. I appreciate your advice. My question to the minister is that Mr Masters is unique in that his appointment is by order in council. He is not a civil servant, and it is an order-in-council appointment, appointed directly by the cabinet as a patronage appointment. That's correct, is it not?

Hon Mr Philip: He's appointed by the Premier.

Mrs Caplan: A direct appointment by the Premier, but all Premier's appointments are order-in-council appointments appointed by the cabinet. Is that correct?

Hon Mr Philip: That's correct. I would object, though, to a patronage appointment.

Mrs Caplan: By term.

Hon Mr Philip: Patronage has a certain connotation. I think that the Premier has striven to find the best possible agents general, and when he appointed Bob Nixon, I think he appointed an excellent person to handle that job.

Mrs Caplan: I'm not disagreeing. Often patronage appointments are excellent.

Hon Mr Philip: Just as long as we understand the word "patronage," and it's not something that is in any way considered to be inappropriate.

Mrs Caplan: I think it's important that everyone here understand that the term "patronage appointment" is the term that you use for order-in-council appointments that are made as a political appointment as opposed to a civil service appointment where someone goes through the normal civil service process. If you're sensitive about it, I think that the appointment of Bob Nixon, which was a patronage appointment, was an excellent appointment of a very deserving individual.

What I am suggesting is that the hiring process is different. I understand how that process works. I know that those recommendations by the Premier come to the cabinet—they are ratified by the cabinet—and that it is a cabinet decision whom it appoints for those political patronage appointments. By their very nature, that's what they are. You may not like the term, but I think it best describes that situation.

We have a situation here where very serious allegations of sexual harassment have been levelled against a political appointee of the Premier and the cabinet. I'm asking you if you do not feel that some action is required in light of the fact that a report has come forward. I understand the concerns you have regarding the legal advice you have, but all

patronage appointments serve at pleasure. I'm asking if you are intending to take any action, and if you'll report to this committee what action you have taken and what action you are prepared to take, given the very serious nature of these allegations.

I would also point out to you that there are precedents available given this kind of appointment process, and I would ask for your comments.

Hon Mr Philip: I think I've given my comments. My comment, first of all, on the question of patronage is not whether or not somebody like yourself who is fully familiar with political science and the processes of government would object to the word "patronage." I think the public has a different view, and it's often the public where I think we have to be concerned that it understands the process. That's why I wanted to make sure I was understood. I thank you for your help in explaining that.

With regard to what action, the action that has been taken is that there is an investigation under way, and part of that investigation is that a person has a right to present his or her case when any accusations are made. Mr Masters is, I'm sure, taking full advantage of that process. No action, certainly, will be taken by me or by the Premier until the investigation is completed.

Mrs Caplan: It's my understanding that the investigation has been completed and that Mr Masters has received a summary of the information that has been collected. I must admit that, given the nature of the allegations, I'm distressed at the—

Hon Mr Philip: I'm sorry. I thought the deputy was able to explain to you that the investigation is not completed. An investigation is not completed, certainly, until a person who may be accused of something has a right to respond to the accusations. Therefore, unless you believe that a completed investigation is a one-sided investigation, then you couldn't possibly come to the conclusion that this is a completed investigation.

I'll ask the deputy to go through the process again so that everyone will understand what stage the investigation is at.

Mr Armstrong: This will simply be repetition. The assertions that have been made have been investigated and, as Mrs Caplan accurately says, a summary of those assertions has been supplied to Mr Masters's solicitors along with a letter inviting him to comment, either by way of being interviewed by the team of investigators or by replying in writing or in any other way he wishes to do. That process is ongoing.

We have not yet heard back from his solicitors. The situation is simply that the investigation therefore is ongoing on the very valid premise that he and the others have to have a full opportunity to have their say about these matters. It would be quite unfair and a denial of natural justice for anybody to say anything more at this stage.

I simply want to make clear for the record—and I'm kind of searching for words—that when I say "assertions" I guess that's the right thing because, like any employer, that's all they are at the moment. We're not a court of law. We don't take evidence under oath and therefore it will be

our task—I'm talking about public servants now—when we complete the investigation, to make recommendations to the minister, and the minister in turn to the Premier and his colleagues in cabinet as to what, if anything, should be done as a result of the material that's gathered and the recommendations made.

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Mrs Caplan: When I was referring to investigation, I was using that terminology to suggest the information-gathering. That portion of your process having been completed, I understand the next step is to permit a rebuttal. According to the information I have, that's going to take an additional couple of weeks.

The concern I have is for the decisions the Premier and the cabinet have made as to the process. These are very serious allegations, and certainly I would hope at some point the minister and/or the Premier would have some comments to make. I find their lack of comments at this point in time very distressing indeed.

Hon Mr Philip: If I may ask a question, what comment would you expect before an investigation is completed?

Mrs Caplan: The next point that I would like to make has to do with the development of an industrial strategy. I found the minister's comments very defensive indeed. It seems to me, Minister, it's important that what's missing from your industrial strategy be outlined and highlighted if there's going to be any understanding by the people of this province of what is needed in order to lead this province into better economic times and out of this recession.

I found an article in the Oshawa Times that I thought said it extremely well. It has accused your government of chronic timidity.

I'm going to leave much of the questioning on this matter to my colleague Mr Eddy, but I am concerned, because you have suggested that by not picking the winners, what you've done in fact is not write anybody off, and I think that's where your thinking is particularly flawed.

By identifying your strengths, whether those strengths are auto parts manufacturing, the mining sector, intellectual, property, knowledge-based, medical research, there are a number of areas where Ontario is and could be on the leading edge. Telecommunications is another example. These are areas where Ontario could be, and is perhaps, on the focal point of world leadership.

By not identifying and saying, "We are going to foster and support and nurture these industries," what you are doing is not setting a strategic direction. By setting a strategic direction, you're not writing anybody off. By setting a strategic direction, you're showing leadership and moving into the future in a way which will instil confidence.

I want to point out—you mentioned a number of countries—that most countries with successful industrial strategies have identified the sectors of their society where they want to focus their attention. I would ask you, when that was suggested to you by ministry officials and others, as your industrial strategy was being prepared, why you rejected a strategic approach.

Hon Mr Philip: I'm just checking with the deputy. To my recollection and to the recollection of the deputy, at no time did we have ministry officials suggest that we should go the Quebec government route of picking winning sectors and losing sectors. What Quebec's done is decided to pick winning sectors and then listed every sector, rather than an industrial strategy, which I think is a political copout of the worst kind, although I recognize Mr Tremblay has listed within those sectors some of the priorities. He even has them colour-coded as to what the emphasis will be.

What we've suggested is that there are winning activities and those winning activities mean that you don't have to write off certain industries. We have shown that in certain industries, even the most traditional industries, the steel industry—and I can give you examples of Stelco, with some of its winning activities that are making it world-competitive in a very traditional industry, or the softwood lumber industry, where we are developing new products. I would be happy to talk about some of the things that we are doing in cooperation with other provinces in merchandising softwood lumber and developing new products in the wood industry. There are certain things that you have to do, such as working to have research through sectors and through groupings of companies.

I've given you examples and I'd be happy to talk ad infinitum of more examples—IRDI is a good example; Husky is a good example—that there are certain things you can do in terms of raising skill levels. We mentioned not just how much more money we are spending than previous governments have on raising skill levels but also a whole process that is introduced through my ministry and through the Ministry of Skills Development in which we are actually getting skills development closer to corporations, closer to communities and more relevant than what was done before.

There are certain activities and certain processes that you have to take in order to establish home-based industries in Ontario, and we've got incentives and ways of doing that. Indeed, we can give you example after example. There are ways of building international capabilities, and I'd be happy to have Gordon Gow and some of the other people from our international operations explain some of the many activities that we're doing in that area. We have to develop linkages and networks among companies. I gave the example in my statement of the agreement that we've just signed with the plastics industry in which that sector agreed on what activities the province should take and what activities the sector should take.

The industrial policy is strategic. It's based on winning activities, not on an outdated definition of what is strategic. It's based on certain things which have been identified to solve the problems, yes, that Porter identified, but what we have done and what I think David Crane has done in his latest book is suggest certain solutions. To the credit of the Canadian Chamber of Commerce, it has also suggested some very good solutions which are not all that dissimilar in many ways from ours.

Peter Sadlier-Brown, I think, would burst a vessel if I didn't at least—he's worked so hard at it—let him maybe

comment in response to the question. Would you like to hear from Peter? He's spent months working on this.

Mrs Caplan: Thank you; not at the moment. I appreciate that, Minister.

The Chair: It's very helpful, Minister, but Mrs Caplan has the floor.

Mrs Caplan: I just want to make one comment and pass on the time that we have.

The Chair: Go ahead.

Mrs Caplan: I just want to point out to you that this particular article says that without an assessment of our strength, there is no industrial strategy. That is how industrial strategies work. Further, they say that a timid and uncertain government will never lead us out of the recession. My constituents are interested in jobs. They don't believe your industrial strategy will do that.

I'll pass the floor to my colleagues.

Hon Mr Philip: If I may respond to that last comment, I haven't read that particular article. I have read the Toronto Star and some of the articles there that have been very laudatory.

If you read or even listened to my speech you would have seen that I did identify many of the strengths of Ontario. It's building on those strengths that we believe we can do, and it's by doing certain activities which we have identified can make us competitive. That is why the Canadian Chamber of Commerce, that is why the labour movement, that is why so many business groups and that is why the ethnic business community, which has understood that this kind of thing works in so many other countries, are so overwhelmingly in favour of this strategy and why they wonder why previous governments haven't gotten off their butts and done something about it.

The Chair: Mr Eddy or Mr Ruprecht, I'm going to give you a couple of more minutes. How's that?

Mr Ruprecht: That's great. That's terrific.

We really appreciate here, I think, and know about your personal commitment in this. I think that's probably unquestioned. That's the good part about it. Probably the bad part about it is the kind of people you have to work with here. That's supposedly in question.

I want to get back to NAFTA. You are in the vortex of an economic rearrangement, essentially, that might leave us standing still in North America. You've got to address yourself to a very quick issue. In other words, you've got to come up with a very quick plan in terms of deciding what our response is going to be to the North American free trade deal, which will no doubt include Mexico now.

I suppose the question really will be, what are we going to do? We can't stand in the middle of the road and have this economic truck run us over, as I said earlier. You have to address yourself to it. You have to address yourself quickly and effectively. What is your specific reply to this question?

1720

Hon Mr Philip: Let me respond in this way, Mr Ruprecht, and I think you've asked some really good questions. In your earlier question—if I'm misquoting you or

misrepresenting you, please interrupt—you seem to suggest that because we were at the table with the other provinces suggesting improvements, as we heard from Mr Wilson about the various difficulties he was having in the negotiations, somehow we were cooperating.

We had a decision as a government, as did every other Premier and every other minister of industry and trade, whatever our belief. We had said at the beginning that we thought a NAFTA was not a good idea to work towards, that we were still trying to digest the free trade agreement and that to move ahead with a NAFTA agreement was premature. Furthermore, we said that we were very anxious to get a GATT agreement and that we thought a GATT agreement would give us a lot of protections that would help us if a NAFTA agreement was ever reached.

We were at the table arguing for Ontario industries and we were arguing because we thought there should be certain protections in there. Some of those things we were able to get. We don't have the full text yet, but some of those changes that we asked for we were able to get. At the same time, I think you have to recognize that one of the things we have asked for and the Premier has asked for is that we think there should be a full, public debate, not just so that we know all the downfalls of NAFTA but also some of the advantages, if there are advantages, and some of the opportunities for Ontario. We've asked for a first ministers' meeting before any initialling or signing of the document is in place and we've asked for a full, public debate.

As you know, both Mexico and the United States have to have it ratified by their congresses or by their parliaments. We don't have to do that. Mr Wilson has assured me that he's going to take it to Parliament, but we think a full, public debate—we do not have a veto as a province over the federal government, as former Premier Peterson suggested he had over free trade and later found that he couldn't do anything, but—

Mr Ruprecht: Excuse me. Let me interrupt you for a minute then. What are you saying? You're saying that there is a—

Hon Mr Philip: —we do want a full public debate on it.

Mr Ruprecht: Yes. You're saying that there is a possibility, actually, that there may be some changes in this agreement before it gets signed?

Hon Mr Philip: Yes. I think the Americans, through Congress and indeed the Mexicans through their Parliament, may not even ratify it. That is a possibility. It is a possibility that it could be defeated in the US Congress. There are many opponents in the United States to the free trade agreement with Mexico, and I'm sure you've read some of the headlines.

Peter Sadlier-Brown can comment on this, and also Katherine's here. She's been closely working with our colleagues in Ottawa.

I'd be happy to give you more detail on it.

The Chair: I will get guidance from the questioner. Do you wish additional information?

Mr Ruprecht: I wouldn't mind hearing from them in terms of at least one other question. Do they think there's still a possibility that the Prime Minister, Mr Wilson or the federal government may make a change in NAFTA and permit the province actually to make some recommendations? If that is the point, I'd like to hear that.

The Chair: Welcome, Mr Sadlier-Brown. Please proceed. You've heard the question.

Mr Peter Sadlier-Brown: What's happening with the agreement right now is they have the outlines of an agreement and lawyers are at work in Washington finalizing the text. As they deal with the many complicated and separate components of the agreement and try to bring it together into a unified whole, they're going to run into some inconsistencies. So there will be some changes that take place in the actual formulation of the legal text.

That's something that the lawyers will work out and that is something that is between the three countries. The province would not be involved in that. We don't know some of the very important specifics about the agreement right now. For example, we're expecting—

Mr Ruprecht: Excuse me for interrupting, but you said the province will not be involved in this whatsoever. Is that correct? Am I assuming that? In other words, we will have no input here to change anything except maybe making some very minor adjustments in terms of the legalities.

Hon Mr Philip: I think that's not fair to the federal government. The federal government has been seeking the advice constantly of the provincial governments and we've been giving them that advice. But when push comes to shove at the end of the day, then the federal government is the one constitutionally that has the sole jurisdiction over proceeding with it or not proceeding with it. They will listen to the opposition parties in the House of Commons, I'm sure, the same way as they'll listen to the public and to feedback from us, but the ball is in their court, and as a province we don't have any veto.

Mr Ruprecht: Just one last point and that is—not a question—I would simply recommend very, very quickly that you look at this agreement in detail and work out a possible plan or some action orientation the province can take so that we're ready for it once it comes down the pipe as being signed, so that we're not being caught with our proverbial—

The Chair: Go ahead and say it. You got yourself into it.

Mr Ruprecht: —pants down.

The Chair: Thank you, Mr Sadlier-Brown. Mrs Marland, please.

Hon Mr Philip: Believe me, the hours—

The Chair: Mrs Marland, please.

Hon Mr Philip: I thought I'm allowed to respond to a question.

The Chair: No, you're not. It was a fast comment. I would like to recognize Mrs Marland. I can continue to shave more time, but I'm afraid I have to allow this process to go on a little faster than it's going.

Mrs Marland: Just a comment on the subject of NAFTA. I do want to recognize and give the minister full marks for his attendance and his presentation to the meeting on NAFTA that was sponsored by the Mississauga Board of Trade earlier in the year. He made a very important contribution to that two-day meeting on that subject.

Minister, I have a concern involving the role played by the Ontario Development Corp in the sale of Summerhill Press and, with due respect, I don't expect you to have the answers.

Hon Mr Philip: I just happen to have something for you. Can I give you my briefing note and save some time?

Mrs Marland: Of course, I have to put my concerns on the record first. I notice in the estimates, on page 66, that under loans and investments there's an increase of 506% under that agency, which I assume is the Ontario Development Corp.

We have had a slight problem with getting information back from your office and getting responses to letters that I've had on this, which is unusual, because your ministry has the fastest turnaround on correspondence since you've been there and I think the opposition members acknowledge that, usually within 30 days, whereas I'm still waiting after seven months for a response, even an acknowledgement, from the Minister of Education on another matter.

So I also give you full marks for turnaround, but something's happened here and we actually have a situation where Mr Michael St Amant, who I understand is the chief operating officer of the Ontario Development Corp, had promised at a meeting on June 29 to get back to a Mr Greig, who is an author.

Mr Minister, you know as well as I do the rules about orders and notices questions. I placed an orders and notices question, 403, on June 29. Despite the rules of the standing orders that I get within 14 calendar days either an answer to the question or notice that you need more time or an indication that you decline to answer, I haven't had anything. I tell you that so you are aware of what's going on.

In the case of Mr Greig, he is an author who is awaiting payment of his outstanding royalties and the reversion of his publishing rights. He isn't able to write or earn any other income until this matter of the sale of Summerhill Press is resolved, so for him, as an individual, it's a very serious matter. But also, we feel that because of the questions that I've had to ask about this sale, we are really beginning to wonder about the competence of the Ontario Development Corp in dealing with this particular matter, this particular sale. I know when you are briefed about them you will be very concerned about it also.

1730

First of all, the main question arises out of the substantial loss of \$400,000 by the Ontario Development Corp in loan guarantees to Summerhill Press. We wanted to know what guarantees or securities were provided by Summerhill principals that would justify a loan guarantee of this amount by the ODC and what activities were undertaken by the ODC to monitor its investment, ie, its loan guarantee with this publisher.

What monitoring policy does the ODC have concerning its investments in or loan guarantees to all businesses? How does the ODC ensure that the companies it supports will utilize the funding provided to them in an ethical and professional manner? In the case of Summerhill, for example, rights to certain books were sold unbeknownst to the authors.

What amount of money was received from the sale of Summerhill assets to Breakwater-Gilpen? Following the demise of Summerhill, were any other moneys recovered by the Ontario Development Corp from any sources, loan guarantees by principals etc, to offset this \$400,000 loss? On what basis did the ODC feel at liberty to sell Summerhill Press as a going concern, without the benefit of an audit of both assets and liabilities?

Why was Price Waterhouse retained to sell Summerhill Press instead of this activity being handled directly by ODC? What was the fee charged by Price Waterhouse for this undertaking, and why did the ODC and Price Waterhouse ignore one author's written request to Price Waterhouse that the rights of his books not be sold as part of the Summerhill package? As a result, this author has been unable to publish subsequent editions of his book and has lost a substantial amount of income.

Why is the author who is owed the largest amount of money in outstanding royalties being asked to "settle his claim," i.e. to reach a compromise on the amount owed to him, when the ODC has not disputed other authors' claims put forth by the Writers' Union of Canada?

What has been the cost to the Ontario Development Corp and the government of Ontario of the decision to sell Summerhill Press as a going concern rather than place the company in receivership? What initiatives have been undertaken to prevent this type of activity, for example, selling assets without properly auditing assets and liabilities or preventing the consequences from happening in the future? More specifically, in the case of failing publishers, how will authors be protected?

Hon Mr Philip: Do you have any more questions? First of all, let me thank the member for her kind initial words.

When I became Minister of Transportation, I demanded that any letter, not just from an MPP but those from mayors or federal members of Parliament, get a priority, because they were representing constituents, and that no letter take more than three weeks' turnaround time. I've done the same thing here and we've changed around our correspondence unit. Any time I get a letter that is more than three weeks, I have to have an explanation as to why it's taken more than three weeks to answer the person.

I remember signing off the response to your order questions. Since staff are not around, or maybe some staff in the Clerk's office would have difficulty getting it, I will get it for you tomorrow and supply it to you first thing tomorrow morning. I remember signing it. So you will have it.

What you're dealing with is a number of fairly complicated legal matters. ODC has worked closely with the writers' union in verifying various types of claims that may be made, and settlements have been made. This one is

particularly different for a number of reasons. I'm going to ask David MacKinnon to come forward and explain some of the circumstances within the bounds of understanding some of the legal complications of this, but there are problems about whether manuscripts have been received or not received and some other things that complicate this. I believe everybody else has been paid off. Is that not correct, David?

The Chair: Mr MacKinnon, please identify yourself and your position with the ministry for purposes of Hansard.

Mr David MacKinnon: I'm David MacKinnon, chief executive officer of the Ontario Development Corp.

I should say that my recollection is, Mrs Marland, that all of the questions you did list have been dealt with in the response the minister referred to and, I think, dealt with quite substantially. I wonder if I could just comment on the specific circumstances of this case. The reason why one particular claim has not been honoured is because there was a prior—

Mrs Marland: Is this Mr Greig, just to be clear?

Mr MacKinnon: Yes. It has not been honoured because there was a prior dispute between him and Summerhill, before the Price Waterhouse engagement, as to whether that was a valid claim. There was an exchange of lawsuits between them. The other principal involved in Summerhill at that time, the one with whom we have had discussions throughout the piece, is of the view that it was a substantial and serious dispute. Our view was that there was no explicit basis to pay that claim, given the nature of that dispute.

I should say additionally, if I could comment briefly on Price Waterhouse, that we have been advised throughout this entire process by legal counsel, both inside and out, and by the best advice that Price Waterhouse and indeed our other external financial advisers have been able to provide. Our actions have been consistent with that advice. The legal advice, I believe, has come from the firm of Lang, Michener. Our view is very definitely that we have been governing ourselves in accordance with the requirements of law and in accordance with the best financial advice available and that we have generally displayed a willingness to honour moral obligations even when we did not have a very strict legal obligation in respect of several of the other claims.

I think, if I could comment as well, that in cases where there is dissatisfaction with our methods of dealing with customers—and we have something like 24,000 or 25,000 customers of all kinds follow our programs—there is a variety of measures we have used to verify the substance of complaints made against us. We have actually used all of those techniques here.

I guess in summary the advice from our lawyers and Price Waterhouse is that the nature of the prior dispute between this particular author and the company makes it very difficult for us to see a basis for paying out this particular claim.

Mrs Marland: Mr MacKinnon, I'm obviously not in a position to evaluate your answer. I'm speaking as the shadow cabinet person for Culture and Communications; that's why

my involvement in this matter. I think when my executive assistant spoke to Mr St Amant, on 19 July, she was told that he would have a response to Mr Greig by the end of that week or the beginning of the following week. You may very well have a valid reason for the position that you've taken based on the legal and other advice that you've received, including from Price Waterhouse, but the thing is, we can't deal with the people in Ontario in an unfair way.

Mr Greig may be right or wrong, but he's entitled to a response to his questions. I think that my job and what my staff are trying to do has been somewhat thwarted by the fact that nobody seems to have been following up on Mr Greig. We did go through the Minister of Culture and Communications initially, and you're probably familiar with the questions that I asked in the House to Ms Haslam. I feel very strongly that the taxpayers of Ontario have lost \$400,000 in this sale of Summerhill Press. I suppose I feel somewhat disappointed that it was sold to a company outside of Canada.

If I'm not correct, I'd like to know that. But I think we're going to find we have such a blatant situation where we have a lot of struggling authors and other people in that category in our province, in our country, and we have an obligation to do as much as we can for them. If this individual is wrong, then I think at least there should be a letter saying, "This is our opinion based on our information." I don't think ignoring the matter is the right way to handle it.

1740

Mr MacKinnon: Mrs Marland, if I could say, my understanding is—I've seen the very extensive file that exists on this matter; I've reviewed it personally prior to these hearings—we've replied to Mr Greig on several occasions. The substance of our views, I think, is certainly known to him. I don't—

Mrs Marland: Excuse me. I haven't even been able to get a reply within the required time of 14 days to an Orders and Notices question, so that speaks for itself, I think.

Mr MacKinnon: In respect to the question about this particular person, we have replied to him on several occasions. Our staff have met with him on several occasions. I want to assure you we've devoted extraordinary resources to this file, to be sure not only that we are being fair to this individual but that we are being fair to all the others involved.

I must say that our staff have met with the Writers' Union of Canada and the Ministry of Culture and Communications. We've been heavily involved in managing this file and we've gone well beyond the legal requirements on us in terms of honouring the claims of authors. We feel we have handled this matter substantially, and from time to time the process of seeking advice has occasioned perhaps longer than normal times in terms of responding to specific details.

But I have reviewed the file personally. We are very concerned about these authors. We have, I think, dealt with this individual honourably and substantially. I think the

questions the minister will be presenting in the response to your order paper request will demonstrate that to a significant degree.

Mrs Marland: All right. In view of the fact that we have very little time to deal with all the issues related to this ministry, I will thank Mr MacKinnon for his response as an interim answer until I receive the minister's response to my formal question in the Legislature. I don't want to take up any more of our critic's time for this ministry.

Hon Mr Philip: You'll have it tomorrow, so if you want to ask further questions tomorrow once you have the answer—

Mrs Marland: I accept that. That's great. Thank you very much.

Hon Mr Philip: You're more than welcome.

Mr Carr: The time, Mr Chair?

The Chair: About four or five minutes.

Mr Carr: If I could, and I said this yesterday when I was in the chair, Minister and some of the people in the ministry, there's very little time for this, even though it might seem like a long time when you're answering questions. If we could, once I get the answer, not be impolite, because I know some people jump in and so on. If I do say thank you or whatever, I've gotten the information I need, so they don't jump in and be impolite and so on, and that'll keep it a little bit easier.

On page 37—and this one's to you, Minister, although maybe some of the other people would like to look at it—you talk about the international offices under the description of activities, "Operates international offices in strategic locations around the world whose objectives are to provide commercial intelligence," and it goes on to say, "and encourage businesses to select Ontario."

I'm interested in your viewpoint, because I know you've done a lot of travelling around the world. I've seen the schedule of some of the places you've been to, as have the Treasurer and even the Premier, of course, spent some time. What formal mechanism do you have to receive feedback from those offices about what people are saying in Ontario?

The reason I ask this is, as you know, when the ministers come back and Floyd kiddingly says in the House one day, "Oh, they just think Ontario's great," there are some major concerns of investors about what they're saying about Ontario. Do you have any formal process of knowing, as this is one of the activities of these offices, about what they're saying about Ontario, for example, in the New York office? How do you know what the international community is saying about Ontario, to then judge what we need to do? How does that work?

Hon Mr Philip: There are a number of ways I know. First of all, I have some excellent staff out there who do report directly to me, and I'm sure Gordon Gow will want to add some information to what I say, because he's been able to bring back some very large contracts for Ontario.

But I had some concerns, as I do with every program. Whenever I have anything to do with any program, I'm concerned about value for money. At the present time we

are having a study done of all of the international offices, an evaluation, with some constructive proposals. When I get that, then I will certainly share it with you, and I'll also tell you what we intend to do about it.

I get a lot of feedback at all times. I get feedback from my federal colleagues. Michael Wilson of course travels around the world, as well as I do, and some of my other federal colleagues and cabinet ministers. I get feedback from the other cabinet ministers who tend to be economic cabinet ministers. I'm talking about Elmer Buchanan, who has agricultural people in our offices. I'm talking about communications, which is becoming an increasingly more important portfolio in terms of telecommunications technology, and we are selling that around the world. I get it from Shelley Martel, of course, and so forth.

I've been meeting with a lot of what would be called ethnic chambers of commerce. In your riding one night I met with the Arab Canadian chamber of commerce, which consists not just of immigrants from the various Arab countries but also people who may have been here for 200 years but are doing business with the Arab countries. So we get all of that feedback.

Mr Carr: What I'm thinking of is something you may be able to table with this committee saying, "The New York office is getting this feedback," that the concerns are in this area. You can even do it: "The good things about Ontario are this, this and this."

What I'm worried about is the feedback of what they're saying. I appreciate the verbal things Michael Wilson talks to you about, that "Boy, they're saying great things about us in Iran" or whatever, when they're over there for the detail. I'm thinking in terms of our being able to take the proper action. Are there any formal things you could give us from the international offices, a report that goes to the minister that says, "On this item," whether it be labour on the negative side or something on the good side—that could even be good; I don't know—"this is what people are saying."

Is there anything we can see? As you know, the problem is that you've got a lot of people saying negative things. People saying positive things is the government's chore. Is there anything you can show to us from these offices saying, "There are concerns in this area, but this is what the office is saying"? If one of the activities is to provide feedback—the exact term is "strategic commercial intelligence"—what is the process you could give us to show us what the people around the world are saying about the province of Ontario? Is there anything at all?

Hon Mr Philip: I'm going to ask Gordon Gow to respond to this in some detail. I meet regularly with the agents general and others who are responsible for the various regions, and they report to me on personnel matters which I don't feel free to share with you, for obvious reasons; we learn about the strengths and weaknesses of some of our people out there. But we are having what we think is as close as possible to a scientific or empirical—"independent" is a better word—evaluation, and when that is available, I'd be happy to—

Mr Carr: Is there any process where we can get something definite saying, "This is what's happening," as that is one of the—

The Chair: Mr Gow, please identify your position with the ministry.

Mr Gordon Gow: My name is Gordon Gow. I'm president and CEO of Ontario International Corp and the acting Deputy Minister of international trade and international relations.

Yes, there is. We have adapted over the last couple of years a very extensive electronic mail system which brings the messages to us almost immediately. You can visualize that when the person out in the field does hear of a concern or needs an answer, it's immediate to us to get back to that person to give him the proper answer. It's within that process that we collect the data which we can in fact feed back into the system to say, "Consistently, we're getting this message" from a particular jurisdiction, whether it be Japan or Italy or Germany, or it may just be in one specific area, which we will then address with our policy people and the rest of the ministry. It can be made available.

1750

Mr Carr: Would it be possible to get some of that information on what people are saying?

Hon Mr Philip: It's very voluminous, but if you want to come to our offices, we can let you look through some of that. We don't want to reproduce a lot to ship over to you, but we'll make appointments for you to go through some of this.

Mr Jamison: Mr Minister, it's a pleasure to see you here today. My question will be coming, but I've got some lead-in to the question.

All of us here today understand the type of difficulties we've all experienced in North America. Specifically, here in Ontario those difficulties are not any different. There are a number of factors or contributors, and I think we could all understand that these are factors and contributors: the recession itself, coupled with the restructuring going on in the province; free trade I and II. It's like Jaws I and II; the films get worse as they go on.

Many of the people who commented today talked about investing. I read just today in the Financial Post, for an example, "Foreign Investors Rush In." It's an interesting article, but I'd like to quote just in the lead-up to my question:

"For the year to date, foreign total net investment in Canada is \$17.1 billion"—and you've indicated we lead in that area—"well ahead of the comparable period for 1991, which saw a record pace of \$10.9 billion.... Statistics Canada noted that there was a surge in foreign interest in bonds issued by the province of Ontario and Ontario Hydro.... 'It's a sign of a bit of confidence in the Canadian economy,' Cross said. Foreigners also increased their holdings of Canadian stocks by a margin of \$68 million in June" alone.

Understanding that, I think we are still hearing a lot of rhetoric back and forth here.

My question deals with de Havilland. As a government, as a minister, you've had to deal with some very significant, very difficult problems. De Havilland is in the

aerospace industry. In other countries, of course, governments support those industries. It's a very difficult situation, very difficult to find the appropriate buyer, as we heard as the deal went on. My question deals with the area I'm most interested in: how a large industry like de Havilland—not just the specific jobs in de Havilland, but de Havilland itself—would have a tremendous impact on smaller businesses associated with de Havilland. Putting that deal together provided again a positive situation, but what would have happened? What would be the effect if de Havilland had been left to go under without government support? Most governments in the world support their space industry.

Hon Mr Philip: De Havilland accounts for something like 10% of the aerospace industry in Ontario, so it's a pivot. In 1991, there were about 29,000—my deputy's given me the real figures—28,300 workers in the aerospace industry in Ontario. If de Havilland had gone down, it would have been a major problem to us.

One of the things you probably know is that with me it's a very emotional issue. When I spoke to the de Havilland workers on the 50th anniversary of their union, I was filled with memories of the kinds of decisions that were talked about around my dinner table when my father came back from Chicago at the time another government decided to trash the aero industry, or the Arrow industry, in Canada. He had three job offers, two of them solid offers, so luckily, he decided to stay on in Canada. But we lost so many people, so many skilled workers, and I almost became an American. I probably would have been in Congress trying to fight the NAFTA agreement on behalf of workers down there.

It's a real emotional issue with me, and I felt very strongly that we should save de Havilland. As a kid, I learned to walk over aeroplanes, and personally I love flying, so it is a very important issue for me that we save that company, and I think it is competitive. I think it's got good products, and it's a pivot to our aerospace industry. That's why, quite frankly, we're putting so much effort into the aerospace industry here. We think it's important for a technologically sophisticated society to have a strong aerospace industry. Hopefully we will win the international space university. We're working very hard on that and we think we're in the top contenders, and we're putting a lot of sector dollars into that field.

Mr Jamison: I have another question for you. I found that answer to be saleable, on my part anyway.

Hon Mr Philip: We have Martin Walmsley, by the way, an award winner in the whole industry, hiding away in the corner back there, but who deserves a medal every year for all the work he does in the space industry. Probably some of the technical questions we'd better send back to Martin.

Mr Jamison: I can understand it was a very difficult situation.

My second question deals with the area you've given me responsibility for, the area of small business. We should all be aware of the impact that particular sector of our economy has and how entrepreneurship in this sector

is something that should be promoted in this province, more today than ever. Our economy didn't rely as much as the United States economy on entrepreneurship until recently. I think entrepreneurship is very important. Could you give me and the committee your view on the importance of the development of entrepreneurship in Ontario, considering the structural changes that have happened to our economy and the need to further promote the ability of people to become entrepreneurs or develop that skill? And it is a skill.

Hon Mr Philip: In addition to praising Martin Walmsley in the aerospace industry and the aero industry, particularly de Havilland, my deputy deserves a medal for negotiating that deal. I wouldn't want him not to go unrecognized when we're recognizing others.

As you know, I think you have to start entrepreneurship with entrepreneurship education; you've got to start off in the school system. In the same way, if you want engineers, you've got to start teaching little girls that mathematics and science—that Dr Bondar is a legitimate role model they can aspire to.

One of the things I'm most enthusiastic about—Peter Friedman, who's sitting back there, knows what a strong promoter I am of the program—is our entrepreneurship education program, even to the point where I want to go out and teach a few of the courses just to get the experience of working with the kids and seeing how it works. We have expanded our entrepreneurship education program tremendously, and I'm so proud that since 1990 Ontario has experienced a major expansion of entrepreneurship education.

You've got to teach skills, you've got to teach attitudes. I learned some of those attitudes and some of those skills working and consulting in the United States and working with people like Sidney Parnes at New York State University, and Dr Gillespie, who worked on the US space program. I was convinced that if I ever really had any power, I'd want to do that kind of thing wherever I was.

We've got so many programs for grades 7 and 8 and grades 11 and 12 in entrepreneurship, such an expansion of the program, and we're getting more and more educators involved in the program. In the last school year, it's estimated that 15,000 students completed the grade 11 and 12 entrepreneurship program. What I find exciting about it is that it doesn't just teach people how to be successful business people but teaches them creative thinking skills that allow them to be the very best creative scientists, the very best teachers, the very best innovative people, the very best innovative farmers, no matter what field of life.

I'm going to ask Peter to say a little bit about the program and allow him to talk a little bit about some of the new things that we're doing in it. I love to go around giving speeches on this and meeting the teachers who are doing it, particularly meeting the kids involved.

The Chair: Please introduce yourself and give your title to the committee.

Mr Peter Friedman: My name's Peter Friedman. I'm the executive director of domestic and small business operations.

In reviewing the field of entrepreneurship, this is one area where Ontario can be very proud. We've heard a lot of negatives here and there. We are recognized as leaders in Canada, certainly, and one of the leaders in North America in entrepreneurship education, at the public school and high school level particularly. We are asked regularly to speak all over the United States on the subject and we're asked to send our materials to Latin America and Europe, because five or six years ago we initiated a fairly long-term process of trying to get entrepreneurship with young people.

We have, as the minister mentioned, an extensive program, with 50 boards of education in Ontario at grade 7 and grade 8, where we bring role models into the classroom and they're able to impart some of the family values and the creativity and other things that are involved in running your own business. That's gone over very well.

We now are introducing a new version of that, which is called Visions in Technology, where we're bringing technical entrepreneurs into the classroom, so the young people will be able to understand not only what's involved in running a business but what's involved in attending university and getting involved in engineering and science programs, and how that leads to an interesting life in a technical business in the future.

Then, from grade 7 and grade 8, we have an extensive program, as the minister mentioned, in grades 11 and 12,

where 15,000 students this past year have taken courses in entrepreneurship, not just to start a business but to be able to understand the concept of creativity.

Another important aspect of this is that the way this program is taught allows a different way for teachers to be able to interact with students. One of the problems in the high schools is dropouts, because of the yes-no or black and white answers. This allows teachers to be able to broaden on that subject, and I think it's going very well with students, families and teachers. Next year we expect every high school in Ontario to be carrying it and over 30,000 young people to be involved in the program.

The Chair: Thank you very much, Mr Friedman.

I do recognize the hour, and the Chair has announced that we would adjourn at 6, but if I might, as a personal note, I recall when the Liberal government announced the entrepreneurial program in the House. It was severely chastised by a dear friend and close colleague, Mr Richard Johnston. I personally would like to commend the minister for retaining that balance and bringing that view to his ministry now that they're the government.

This committee now stands adjourned until 1 o'clock tomorrow, and we will continue towards completion of the estimates of the Ministry of Industry, Trade and Technology.

The committee adjourned at 1804.

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Legislative Assembly of Ontario

Second session, 35th Parliament

Official Report of Debates (Hansard)

Thursday 27 August 1992

Standing committee on estimates

Ministry of Industry,
Trade and Technology

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Jeudi 27 août 1992

Comité permanent des budgets des dépenses

Ministère de l'Industrie,
du Commerce et de la Technologie



Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
Greffière par intérim: Lynn Mellor



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La table des matières des séances rapportées dans ce numéro se trouve sur la couverture à l'arrière de ce fascicule, ainsi qu'une liste des membres du comité et d'autres personnes ayant participé.

Renseignements sur l'index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Thursday 27 August 1992

The committee met at 1307 in committee room 1.

MINISTRY OF INDUSTRY, TRADE AND TECHNOLOGY

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We are reconvening to complete approximately four and a half hours of estimates for the Ministry of Industry, Trade and Technology. Before I recognize the next rotation, does the minister or the deputy have some responses to yesterday's questions to share with the committee?

Hon Ed Philip (Minister of Industry, Trade and Technology): Thank you, Mr Chairman. Mrs Marland said that she'd put a question in Orders and Notices, and I'd like to table with you the answers to the question. I recalled yesterday that I had signed the answer to the question some time ago, and in fact I'm told it was sent over to Cabinet Office on July 9.

The problem with Cabinet Office was that they realized that under the Freedom of Information and Protection of Privacy Act, I guess, and for some other legal reasons, the names of the people referred to in Mrs Marland's question should be deleted, and that took some legal advice. But we are prepared to table this today with you. It will of course be tabled also in the House when the House reconvenes, but the names have been removed.

The Chair: Thank you very much, Minister. Were there any other items?

Hon Mr Philip: Not that I remember. I think Mr Ruprecht had some questions that didn't get answered.

The Chair: I might suggest, if there are questions that are already prepared by any member, that the Chair and the clerk would receive those so that staff could begin to work on those. Having said that, do you wish to go first, Mr Phillips?

Mr Gerry Phillips (Scarborough-Agincourt): My question is around jobs and how the ministry is tracking versus the budget. I gather this is the ministry that has the prime responsibility for job creation. Are we on track on our job situation with the budget, and how do we see the rest of the year coming out? What are going to be the key components that create the jobs that are committed to in the budget?

Hon Mr Philip: We tried to handle some of this yesterday, Gerry. In my opening statement, I think, and I don't remember the page, we talked about short term—I don't know whether that was the word I used—and long term. The short term was of course some of the short-term programs that were announced in the budget.

Mr Phillips: Are we on track on our job situation now?

Hon Mr Philip: As far as we know. Some of the difficulty is in tracking some of them, because there are considerable spinoff jobs you can't track. For example, when Babcock and Wilcox get a major contract which we assisted in, there are so many small supplier companies that benefit from that kind of contract and you have no way of really measuring some of that. But I think the deputy has some additional information which we can all look at.

Mr Tim Armstrong: I think I'm going to pass it to Mr Sadlier-Brown to talk about. As Mr Philip suggests, the Ontario budget did of course refer to the fact that it was supporting 90,000 jobs for this year.

Mr Phillips: What it said in the budget is that in the 12 months of this year, job growth will be 125,000 jobs.

Mr Armstrong: I was getting to that—additional training programs put in place to help create 100,000 jobs and train an additional 80,000 over the next three years. Extrapolating from that, I don't disagree with your figure. Mr Sadlier-Brown may be able to tell us specifically whether we're able to relate that projection to the actual job figures since the budget to the end of July.

Mr Phillips: Let me just be helpful here. The budget says that at the end of the fiscal year there will be 125,000 more jobs in Ontario. Job growth over the 1992 second quarter to 1993 first quarter will be over 125,000. At the end of July, I think we were running minus 85,000, so in the final seven months of the year I gather you have to create 205,000 jobs or thereabouts. My question is just, are you on track?

Mr Armstrong: I understand the question, and Peter Sadlier-Brown, who has appeared before the committee before, may be able to fill in some of the gaps. But before he does, just to supplement what the minister said, of course the tracking system in midyear will not prove anything about the end of the year. I don't think the budget predicts the slope of the curve one way or the other but, Peter, do you have anything more specific on that?

Mr Peter Sadlier-Brown: Just in general I think the performance is a little disappointing. The US economy has not performed to the standard that was expected in the budget forecast, so some of the positive factors that should have contributed to the overall performance of the Ontario economy have not been there. I think you will find that it's probably a little below the forecast for the budget on the basis of the performance now. But again, there's still a significant amount of the year left, and we'll see how that performs.

Mr Phillips: But is it fair to say we are running behind our projections right now?

Mr Sadlier-Brown: I think the overall performance of the economy—I noted the external conditions—has

been somewhat less than the Treasury forecast when they did the budget earlier on.

Hon Mr Philip: I think too, Mr Phillips, it should be put in the context of other jurisdictions around us and compared to other jurisdictions. I used those figures yesterday, if my deputy can find them. It's in the competitiveness report, which I sent out to you along with every other MPP. I'm sure you received it.

Mr Phillips: I read it carefully.

Hon Mr Philip: We are performing better than other surrounding jurisdictions for the most part.

Mr Phillips: Those aren't the numbers I have.

Hon Mr Philip: Okay. Compared to Quebec, for example, we're outperforming. Yes, here we are. To give you the exact figures we have as the most updated, if you want to just look at such indicators as seasonally adjusted unemployment, the most recent figures, July 1992 is 11%, compared to April 1992, which is 10.6%. You can see that there's a slight increase. But if you compare that with Quebec, for example, you've got 13% in comparison to 11.9%. So it's not indigenous to Ontario; in the surrounding areas you see similar increases.

We do a lot better when we start looking at such things as bankruptcies per million population and things like that. I used those figures yesterday, but I don't think you want that kind of data repeated.

The recovery is slow. There are signs that some types of business investments are increasing. Certainly machinery investment is increasing, and maybe Peter will have those figures handy. I had them a while back. The overall economic growth of Ontario is expected to be 1.4% in 1992 and 3.9% in 1993. So it's slower than we had anticipated, slower than anybody had anticipated in any jurisdiction in North America.

Mr Phillips: It doesn't look like we're going to hit the budget numbers, then, on job creation?

Hon Mr Philip: That depends what happens in the rest of the year. It's slower than we had anticipated at this point in time this year. Peter, do you want to add to that?

Mr Sadlier-Brown: Yes, just to make sure that the numbers are on the record. The budget forecast in April was that for the year 1992 there would be a 14,000 increase in employment.

Mr Phillips: Why would the budget say job growth will be 125,000?

Mr Sadlier-Brown: The data I have here say the employment change as expected in 1992 is 14,000. I'm not sure what the 125,000—it may well be that what you're referring to are jobs that will be supported by the budget. I'm not sure.

Mr Phillips: No. Job growth from the first quarter of 1992 to the end of the first quarter of 1993, ie, the fiscal year, will be 125,000 jobs. I assume that's your goal.

Mr Sadlier-Brown: No. The employment change forecast for 1993 is 129,000. I can get my copy of the budget and make sure we're talking about the same thing.

Hon Mr Philip: There is a bit of a note of optimism. If you look, for example, at the Conference Board of Canada's survey of businesses in the first quarter of 1992, over 60% of the respondents said that their capital expenditures would increase in the next six months. Nearly half of those surveyed indicated that they planned investment expenditures in Ontario, compared to over one quarter of the firms in Quebec and the Prairies. It would appear that as we come out of the recession, the major investments and recovery will take place here rather than in some of the surrounding jurisdictions. We may well have a faster recovery in the third and fourth quarters.

Mr Phillips: I'm just trying to get what MITT's view is on job creation and whether we will be on the budget target or not.

Hon Mr Philip: I think I'm trying to indicate that at this point in time we're behind. I'm saying, though, that there are some signs that towards the end of the year we may catch up.

Mr Phillips: I would have thought, Minister, that kind of on your wall was "125,000 job creation," yet I don't sense that there's even recognition that this is in the budget.

Hon Mr Philip: I think what's on my wall are prospective companies that I can attract to Ontario and prospective projects in expanding existing companies. I think that's something concrete—opportunities that I can measure and things that I can do in a very concrete and specific way. I think that's what's on my wall. I'd be happy to talk about those and indeed list some of those new investments for you that we certainly will be sharing.

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Mr Phillips: Maybe I can just change the topic a little bit. How much time do I have, Mr Chair?

The Chair: You've got 10 more minutes.

Mr Phillips: Why would it be that plant closures, if we are in a recovery mode, are dramatically higher year to date in Ontario than they were for the first seven months of 1990 and the first seven months of 1991? Why would we not be seeing a decrease in the level of plant closures?

Hon Mr Philip: I think you'll find that plant closures are actually lower here than in any of the competing jurisdictions. You're right; certainly 1991 has a higher percentage of business failures per million population in all our competing jurisdictions than in 1990.

Mr Phillips: I'm referring to the report on permanent and indefinite layoffs, your government's release that came out on plant closures on 14 August.

Hon Mr Philip: That would be the Ministry of Labour document. It's not our ministry's document. Is that what you're referring to?

Mr Phillips: They share that with you, I hope. I'm just saying this is what I use for plant closures, because this in the information the government provides us with. What it shows is that plant closures, year to date in Ontario, that is to the end of July, the first seven months, are up about 30% over the same seven months a year ago. They were about 45% in the same period two years ago.

I'm just curious, if we are now in this period of recovery, why we're seeing plant closures increasing.

Hon Mr Philip: I think part of the problem is that there has been a complete restructuring in North America. Previous governments have not planned for a restructuring in any way, and that's why we have tabled an industrial framework that both the Canadian Chamber of Commerce and the Canadian labour movement, and indeed the Financial Post if you look at its editorial today, are advocating. It takes time for those policies to have an effect.

But if you look in a very concrete way at how we are performing compared to other jurisdictions, the number of plant closures is much less than our competing jurisdictions.

Mr Phillips: Could you get those for me, please?

Hon Mr Philip: It was provided to you in what I sent out and we'll be glad to give you the document.

Mr Phillips: I don't think so. Was it? Would you show me what was sent out on plant closures?

Hon Mr Philip: Sure.

Mr Phillips: Have you got that there?

Hon Mr Philip: Yes. Business failures for 1990 in comparison to 1991. That's the total year, and we compare it with Ontario, California, Georgia, Illinois, Massachusetts, Michigan, New York and Ohio.

Mr Phillips: Those aren't plant closures.

Hon Mr Philip: These are bankruptcies, but I think you'd find a close pattern between the two.

The Chair: To be helpful, Mr Phillips is asking if you keep that data, if you're recording data on plant closures and numbers of personnel.

Mr Phillips: I don't think I have got plant closure data from you.

The Chair: Do you keep that kind of data within your ministry?

Hon Mr Philip: Do we have those data available in a form that can be handed out?

Mr Sadlier-Brown: I think Mr Phillips is referring to the Ministry of Labour's layoff data and where it describes layoffs as a result of temporary shutdowns and permanent and partial closures. Is that not correct?

Mr Phillips: Yes. That's the stuff in here?

Mr Sadlier-Brown: Yes.

Mr Phillips: I don't remember ever seeing similar data for any jurisdiction you sent out.

Mr Sadlier-Brown: The federal government keeps such data, and I believe the Department of Commerce in the United States has data and various states do. We haven't compiled it on a comparative basis exactly in those terms because I believe the way it's measured, the threshold level for getting included, would be different. For example, even in Canada the federal government only keeps data where the layoff involves 200 or more people. The Ontario data include layoffs of 50 or more people.

Mr Phillips: I'm just curious why the plant closure numbers would be 30% higher year to date in Ontario if we are now in this recovery mode.

Hon Mr Philip: I'm not convinced that we're in the recovery mode yet. What I'm saying is that we are starting to see the signs of a recovery and that we can expect that to happen but it's going to happen very, very slowly and that's what we've indicated in all of our comments.

Mr Phillips: Maybe one final question, for me at least, and this was dealt with in detail yesterday. I appreciate it, but I don't think I've talked to a single business person in the last year who hasn't indicated real concern about the labour relations amendments. I know the government's view on it is that the business community is kind of just blowing smoke and it'll all disappear.

I'm wondering, Minister, what your own view is of what is going to be the impact of these labour relations amendments in terms of investment, and can you give me three or four examples of businesses that support this, that say, "This stuff is fine"? Maybe I'd feel a lot better if I could find three or four business people who don't really express concern about it.

Hon Mr Philip: Certainly I've talked to business people in the ethnic business community who have come from countries and who operate businesses in other countries who feel that—indeed I had one the other day who was visiting with part of an Indian delegation who felt that the labour reforms were quite modest compared to other—

Mr Phillips: Can you give me a few examples that I can talk to who said this is quite all right? Because I can't find a single business person out there.

Hon Mr Philip: I can tell you that when I go out there it's not a major topic of discussion the way it was six months ago when there were a lot of people who were fearful that whatever kind of document was released or leaked or whatever was what was proposed. I can tell you that a number of people have said they're quite happy that the government has listened, that a number of amendments have been made, and I think there's an attitude now much more of cooperation and less of confrontation than existed six months ago.

Mr Phillips: What's your own view of it?

Hon Mr Philip: If I might just tell you, there are—

The Chair: Excuse me, Minister. We're coming to the end on this and in fairness to Mr Phillips, he asked you for specific names. I'm sure you'll have an opportunity to come back to this issue, but in fairness to his time do you have any names of individuals or corporate people you could share? That was the nature of—

Hon Mr Philip: We'll go through our correspondence and see what we can find.

The Chair: Thank you very much.

Mr Phillips: Great, thank you.

Mr Gary Carr (Oakville South): Thank you very much, Minister, on behalf of Margaret for that prompt answer. I appreciate your getting back; I know she will appreciate that. I also want to thank you for the pull-up on the data. I owe one as well. I appreciate the prompt answer.

My first question, and I just want to make it a brief one, yesterday I appreciate that Mr Gow spoke with me

afterwards and I also appreciate your offering to go over and look at—

Interjection.

Mr Carr: Speak up?

Hon Mr Philip: No, I think it's a matter of the volume. Could we turn it up a bit?

Mr Carr: I'll speak up a little bit too.

I spoke to Mr Gow, who was very helpful, but the question I wanted to get and what I wanted to see if you could table with this committee is from our international offices. As you know, he said we get feedback and it's in the mandate of one of the activities.

Could we get in written form the five reasons that investors are saying they want to come to Ontario and the five reasons that the investors whom our international offices are meeting do not want to come to Ontario? Could we get that tabled with the committee so we could have that? It was probably my fault. I don't think I asked it properly. I just want to do a quick follow-up with that one; if it can be done, great.

Hon Mr Philip: We'd be happy to but, if you want, I can give you some of the reasons they are giving me when I meet with them, and maybe Gordon Gow would like to comment because he has been doing more travelling than I have been doing and talking to them. But I'd be happy to give them to you now off the top of my head and then we can—

Mr Carr: I appreciate that. I know the feedback—you said, "I'll speak to Elmer Buchanan when he comes back," and so on—is fine, but I think we've got these offices that have a mandate to give feedback and certainly before policies are made, something a little more concrete than "I talked to Elmer." I would appreciate what you're hearing and then I would like to hear if we get something formal.

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Hon Mr Philip: Anecdotally, I can tell you both the positive and the negative; negative in the sense that they're more in the form of questions, but they are concerns and we have to answer them.

On the positive side, a major reason is a highly sophisticated workforce, dependable and reliable in terms of productivity; a cosmopolitan society where it is easier than in the United States to bring in skilled managers and so forth from other countries, and where those managers can obtain education for their children, and where they do not feel that they are discriminated against.

This whole quality of life, a cosmopolitan society with good theatres, restaurants, with temples and churches where they feel comfortable and where they don't feel that they're going to be discriminated against, is a major reason when we talk to people in Hong Kong and in various other countries.

Market access to 170 million, over half the population of North America, is another reason; a high degree of research and development programs that are attractive to the very high tech or value added sorts of projects. You know yourself, you were talking to the CGE people. Why are they locating in your riding, a major world-product man-

date? Because they've got a government that is willing to give them research assistance and work with them and so forth.

Mr Carr: And \$33 million.

Hon Mr Philip: Yes, it costs money. If you want to attract that type of industry, it costs money, there's no question about it. Ask Ford; it costs money for Ford too. I think that those are some of the answers. We're working on the business infrastructure, and you might have some questions on this whole telecommunications area on which we made some announcements this morning.

On the negative side, the major question is Confederation. Is Quebec going to separate? Is the country going to fall apart? What is this business of separatism and referendum and so forth? Hopefully, as a result of the excellent hard work of our Premier, Joe Clark—who deserves all kinds of medals, the Order of Canada or whatever, for what he's done—and all the other premiers who actually pulled together, I think that's a major asset to us.

There are questions about the Labour Relations Act. What is it? How is it going to affect people? What are the issues? Those are the two major questions that we get from foreign investors. I find that when the corporate presidents and chief financial officers are in town, Gordon Gow often arranges for me to get together with them for dinner, and we talk about some of these things and weigh the advantages versus disadvantages. Often they see that this is a better location than part of the northern United States and that when you start measuring productivity and some other factors, then we're in a better position than the southern states.

Mr Carr: Thank you. I'll look forward to that, and I appreciate your comments on that.

With regard to the labour relations amendments to Bill 40, has your ministry done a study of that particular piece of legislation, and if so, would it be possible for this committee to get a copy? If you haven't done one, maybe you could explain why you have not.

Hon Mr Philip: We've done a study in this sense, that we have listened to the presentations that have been presented and passed the views on to our colleagues at the Ministry of Labour.

University of Toronto professor Noah Meltz did a study, and his view was that while studies could be undertaken, there are a number of assumptions that would have to be made in any of those studies that would make the validity somewhat questionable. Relating to possible increased unionization and possible impact on already unionized establishments, Meltz noted that while wage costs may increase under the Labour Relations Act, cost savings may also result as a result of such factors as lower turnover, greater employee protection and a feeling of having a voice in decisions made in the workplace. He concluded that the proposals could have a positive impact on Ontario's industrial relations and thereby on the Ontario economy as a whole.

His appraisal was based on the proposals, interestingly enough, of the original set of proposals, and not on the somewhat more modest set of proposals in which there

have been a number of changes as a result of input from the business community. I assume that he would weigh even more heavily on the positive side were he to have examined it in the light of the changes that the Minister of Labour has made.

Mr Carr: I sat on some of those hearings, and the Ontario Restaurant Association also said that it had met with consultants. I appreciate that one person says it can't be done, and that person has been brought out and championed before by the government. The restaurant association says it has talked with consultants, ie, the Ernst and Young people and Clarkson Gordon; it mentioned a few. They even said they would be prepared to pay for the study to be done. They said they've got advice from these people.

Can we get a commitment from you that you will go to some of the consultants used by the ministry and this government—I think of Ernst and Young and Clarkson Gordon or whomever—and see if a study can be done regarding this, and if so, would you be prepared to do one?

Hon Mr Philip: I'm not prepared to do interminable studies on something at this point in time unless I can be convinced that there is a methodology that will actually give me the data that I'm looking for.

When I say the data I'm looking for, I mean in an objective way, not the data I'd like to see. I think the good evidence of that is some of the studies that were done by some of the business groups. If you look at the way in which those questions were phrased, they got the kind of answers they wanted for very valid lobbying reasons.

I was reading a study done in New York state—I wish I could put my finger on it—in which they were saying to the business community, "Is it your intention, or would you like, in light of recent taxation in New York state, to move to the southern United States?" They got something like 80% of them saying they were moving to the southern United States. You and I both know that's not a valid study. Some of the studies that have been done would not have passed had I turned in a study like that in my first year of graduate school, and I think we've got to look at the methodology.

Peter Sadlier-Brown may have something to add to that in terms of the methodology.

Mr Carr: While he's getting seated, has anybody in your ministry asked for that study from you. Minister? With all the problems associated with that, I would say that if they haven't, they probably haven't done their job. Has anybody in the ministry asked you to do a study?

Hon Mr Philip: No one in the ministry has asked me to do a study.

Mr Carr: What about your deputy? Has your deputy been asked to do a study?

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Mr Armstrong: You have an order paper question on that; except for your question, it hasn't come to my attention—and Peter can correct me—that the ministry has been asked to do a study.

Let me just add that this is an area that in another incarnation I've had some familiarity with. The Labour Relations Act, contrary to the popular myths that some-

times float around, has been amended eight times since 1975. There was a fairly comprehensive set of amendments in 1975, and there have been fairly significant amendments at about two-year intervals since 1975. Don't hold me to the interval part, but regular amendments of some significance.

I'm not aware that any of the governments of the day tried to do impact studies, for the simple reason that the kind of studies I've seen modelled are the kind that give you what people think is going to happen, which is kind of interesting, but that's really polling data.

I think of more interest is to look at some of the scholarly work, like Freeman and Medhoff from Harvard. They talk about whether or not productivity improves when a labour relations environment is good. Without trivializing their theory, they have some data to show that in unionized plants, for example, productivity is better.

Apart from the academic literature to that effect, I don't know what you get from surveys that tend to be attitudinal in nature, especially when the composition of the package—as the minister has indicated, what started out in terms of the discussion paper is not what ended up before the Legislature.

Mr Carr: Thank you, deputy, but right now we've got a bill before us. We've got a minister who says, as the Minister of Labour has, that he doesn't like the studies that have been done. This minister, Mr Philip, can design it any way he would like. He said they were swayed to get the answers they wanted. He could be the one to pick the person or people to do it; he could pick the questions he felt happy with.

With this piece of legislation being so critical and controversial, I would say that for the Minister of Industry, Trade and Technology not to have done some studies is wrong. The minister, quite frankly, hasn't done his job if he does not. Will you commit today that you will look at some type of study on the impact of the bill before us? I can appreciate that when you're in the discussion stage it would change. We have a bill before us. Will you do some type of impact study on Bill 40?

Hon Mr Philip: If I were to do that, I'd be the first minister of industry in this province who ever did such a study.

Mr Carr: Let's be innovative. Go ahead and do it.

Hon Mr Philip: No other Minister of Labour—Bob Elgie, progressive as he was, never once did any such study on some of the changes he was making, even to prove his own—

Mr Carr: Surely that's not an answer, Minister: "Because it's never been done." Surely that can't be an answer. Why won't you do the study?

Hon Mr Philip: I may sound like Michael Wilson in some of the questions he's answering on the NAFTA studies and impact studies, but the fact is that there is no methodology that has been yet devised that can single out that very micro matter and then come up with the specific impacts. What you've got are a series of dynamics working within the gestalt. You're not working in a chemistry laboratory where you can isolate the individual elements; you're working with

a very dynamic set of causes and countercauses and relationships. If you can show me a methodology that will in fact give me an objective sort of evaluation, I'd be happy to look at that methodology.

Mr Carr: Will you commit then—obviously, not being an expert in the field, I could not. You know the consultants this government's used, and they can be the ones your ministry could use. Will you commit to meeting with some of those, whether they be the Ernsts, the Clarksons or whomever, and discuss with them and ask them very specifically, "Can you do a study?" Will you meet with them? You're meeting with all these people. You want to consult. Will you commit to this committee to meeting with those people and asking them very clearly, "Can you do a study with regard to Bill 40?"

Hon Mr Philip: Those we have talked to, such as the one I've just mentioned, have said that there is no such—

Mr Carr: Who was that again?

Hon Mr Philip: Meltz.

Mr Carr: That's one person at the U of T. Will you meet with the consultants, the Ernsts, the Clarkson Gordons, and ask them specifically, "Can you do a study?"

Hon Mr Philip: I think Peter indicated that he has talked to some of these people.

Mr Sadlier-Brown: First, I'm not aware, from a strictly analytical point of view, of any instance where anybody has done a model study of the impact of something like Bill 40. The people you're talking about, Ernst and Young and the others, who have done work have done surveys, as my deputy has pointed out.

Mr Carr: But they can do studies if you ask them. Have you asked them?

Mr Sadlier-Brown: I think if it were possible for them to have done a modelled analytical economic impact, they would have done so.

Mr Carr: Have you asked them that?

Mr Sadlier-Brown: They don't have any lack of funding and they have had a lot of opportunity to do so.

Mr Carr: But have you asked them?

Mr Sadlier-Brown: What they've done is perceptual work, because that's what you can do in the circumstances. A modelled analytical thing is—as I said, from an analytical point of view, I know of no one who's done it. I don't think it's possible, and I don't think their reputations would permit them to do it either.

Mr Carr: I appreciate Peter's expertise, but the question I would still like to see stand with the minister. Notwithstanding Peter's opinion, will you meet with some of these groups that will do it—again, I say the Ernsts—and ask them specifically if they can do it? If they can't, all we need is to hear from them saying it can't be done and, quite frankly, the opposition won't be able to complain. Will you commit to meeting with them, Minister, and asking them whether they can do a study?

Hon Mr Philip: I meet with a number of people on a daily basis from the business world and from the consulting world and ask them a number of questions.

Mr Carr: No. With the consultants, the Ernsts. Will you meet with them?

Hon Mr Philip: What I think the business world is asking for now, and the labour community is asking, is to move beyond that, to move towards implementing the kind of sector partnerships and industrial framework we are talking about, to get the Labour Relations Act behind us and get on with the job of working together. That's what they are saying to me. They're talking about cooperation. You only have to look in the news about what Don Tapscott and the chamber of commerce and the Canadian Manufacturers' Association are saying.

Mr Carr: Thanks, Minister. I'll get off that topic for you. I appreciate it's a very sensitive one, but by not answering it—

Hon Mr Philip: It's not sensitive at all.

Mr Carr: I think it's a very simple question. You could defuse it. If you did do the studies or went to them and they said, "No, we can't do it," it would eliminate that argument. I appreciate you won't, so I will get on to another subject as we don't have much time.

With regard to the manufacturers' recovery program, you were kind enough to set up a meeting with some of the people regarding that. With regard to that program, how much money has been spent this year on that program? How many jobs have you projected have been created as a result; the number of companies and the number of jobs created?

Hon Mr Philip: Dave MacKinnon has the answers to some of those questions, if you'll give him a minute to get the right page. If you think my briefing book is large, you should see what the one Dave prepared for me just on his operation is like.

Let me introduce it this way. The program, as of July 31, had 231 applications. There were 160 firms accepted under the recovery plan phase, and 130 recovery plans have been completed; there were 77 referrals to the Ontario Development Corp adjustment funds and 80 referrals to the management and marketing personnel program. The total commitments as of July 31, 1992, for all three phases amounted to \$47.7 million, and 7,600 jobs have been maintained or created as a result of this program.

Mr Carr: How many companies would that be? I lost your addition.

Hon Mr Philip: There were 7,600.

Mr Carr: No, that's the number of jobs. The number of companies. You talked about the whittling down. How many of that—

Hon Mr Philip: There were 231 applications and 160 firms.

Mr Carr: I know. Out of the \$47 million, what does that boil down to? How many got money out of this program? I know some were referred. As to the \$47 million, what is that number of companies?

Hon Mr Philip: Do you have that, David?

Mr David MacKinnon: As of April 27, 1992, 36 had received or had been approved for loans or loan guarantees, with a total value of about \$38 million.

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The Chair: Mr MacKinnon, do you have that list of actual company names? I know that's public information. That would be helpful for the committee.

Mr MacKinnon: Yes. Sure.

Mr Carr: So we got two different figures. Mr MacKinnon is saying \$38 million and the minister is saying \$47.7 million. You're saying 36 companies and that you've given out \$30 million, or just approved?

Mr MacKinnon: Sorry. Had either received or had been approved. Our figures may not be exactly the same categories.

Mr Carr: Where are we in terms of actual money being given out? If we've given 36 approvals, how much is actually transferred into somebody's hands?

Mr MacKinnon: Approximately \$13 million would have been disbursed, but of course a much larger amount would be committed to be disbursed when certain conditions are obtained.

Mr Carr: And that \$13 million helped how many companies?

Mr MacKinnon: As of that date 36 had received or had been approved; about \$12.5 million went to that group.

If I could just give a technical explanation, Mr Carr, typically, it's unusual for us to advance the entire amount of money in one shot to any one firm. Typically, it's advanced over time in relation to the activities of the firm and its successor, or lack thereof, in meeting them.

Mr Carr: But you know where I'm coming from.

Mr MacKinnon: I think you're trying to get a sense of the actual amount that firms had taken up.

Mr Carr: That's right.

Mr MacKinnon: The answer to that is, as of that date, about \$13 million had actually been disbursed.

Mr Carr: And that was 36 companies? Probably less, right?

Mr MacKinnon: It may be a little less. Again, that's why I made the comment I made. I couldn't guarantee that all 36 had received some money. The likelihood is that the vast majority would have.

Mr Carr: But you can't tell us, of that \$13 million—\$12.5 million—how many companies that is. Is it 6, 10, 22? You don't know?

Mr MacKinnon: I think the vast majority of the 36 would have received some funding, but I can't guarantee that all would have.

Mr Carr: As you know, the government sells this program: "We're facing very difficult times. We need to get money out." I quoted the chamber of commerce and the Canadian Federation of Independent Business yesterday, what they thought about the program. I honestly believe these are set up for the Premier and the minister of the day to stand up and say, "We're doing something."

If you look at it and see that we've only disbursed \$13 million in a program that was set up to help small businesses recover, you can see where the public gets a little

bit sceptical. I know you say the money is coming. As the government knows, we're in a period where we need help now, and yet we're saying we're only giving out \$13 million this year, the rest of it will come next year. What do you say to the public that says, "This is a drop in the bucket"?

Mr MacKinnon: I think the important and relevant figure is the amount that has been committed, because that's the amount that will eventually flow.

Mr Carr: How many years is that \$47 million committed over?

Mr MacKinnon: It depends upon the particular loan arrangement with a particular firm.

Mr Carr: What could it be?

Mr MacKinnon: Anywhere from a year or two to perhaps five or six would be the typical maturity.

Mr Carr: But you see where I'm coming from. The government sold this as something to help during this period, and now we're looking at a five-year period when we could be out of it; and \$47 million over a five-year period is literally—we're playing in the margins—a drop in the bucket in terms of helping small manufacturers.

Mr MacKinnon: Well, I'm trying to explain. Perhaps I can go back to the larger dimensions of the program. First of all, it's not always money that these firms need.

Mr Carr: I know. I appreciate that.

Mr MacKinnon: The larger number of applications and the numbers that have been helped through the earlier stages—quite often a study in itself is a very significant benefit. So I think the first response to that series of observations would be to say that quite often it isn't money.

Secondly, quite often it's the time for us to intervene in some way, and the money gives us the opportunity to effectively get that time. So that's the second benefit that's gained: time.

The third thing is that I would think with respect, Mr Carr, that the \$12.5-million figure is not the relevant figure for discerning the impact of this program; it is the total commitment, because that's what is meaningful to a bank or to all the other stakeholders in the enterprise.

Those would be the three kind of responses I'd make to those observations.

The Chair: Mr Carr and Mr MacKinnon, I'm going to have to move the rotation. Mr MacKinnon, it would be helpful to provide us, as you have in the last estimates, with the breakout in the numbers: the numbers of applications you've received to date for the fiscal year, the numbers of companies you've approved, the amounts and those funds for this fiscal year which this committee is examining. If you could provide, even in part, some of that information now, the clerk will photocopy it and then Mr Carr can sharpen, you two can sharpen and focus your conversation in the next round and that might be very helpful to the committee.

If I could suggest you do that, I'd like to now recognize Mr Jamison.

Mr Norm Jamison (Norfolk): The question I'd asked yesterday when I left off was one about the situation in

general, the economy, the recession, the impact of free trade and so on. But I'd like to begin by indicating that I'm aware of many companies that have made substantial investments over the last period of time here in Ontario. Again, quoting the *Financial Post* as of yesterday, the headline, "Foreign Investors Rush In," seems to—

Interjections.

Mr Jamison: Gentlemen, I certainly sat here quietly while you made your somewhat ludicrous comments, which showed a level of control on my part.

Minister, there have been a number of major investments in Ontario by major companies: Ford Motor Co, General Electric, Northern Telecom, 3M Canada, Kraft Foods, General Motors, and the list goes on. We all understand these are recessionary times that we're in. I think an important question to ask at this point is, are the types of investment that are being made in Ontario the types of investment that seem to recognize the government's direction on skills training, value added jobs, the general approach that we're taking in developing or trying to maintain or develop further a high-wage economy?

Hon Mr Philip: Let me start off by saying that Ontario continues to attract more foreign investors than any other province, and indeed than all the others combined. In 1991 the province accounted for 53% of the total number of investments in Canada. The Ontario share of the investments was much higher of course than our share of population in Canada. We have about 39% of the population of Canada and we're getting over 50% of the investments.

The type of companies that are investing tend to be the high value added companies, and when I talk to them our industrial policies are among the things that certainly are attractive to them.

Maybe some of my staff will recall the name of the person very high in the echelons of General Electric who came here for a meeting, and at the end of the meeting he said, "I've met concerning possible locations for a number of my plants with most of the American governors and people like that, and you people certainly have a better idea of how to develop an industrial network than any other jurisdiction in North America." Of course, we see that in Oakville. We see that in—is it Pickering where GE has set up the silicon plant?

We had similar comments by the president of Ford who had an opening there to announce a \$2-billion investment. The president said, "This is a government that we can really work with, that understands what has to be done, and we look forward to obtaining more product mandates for Ontario."

Some of the investments have made all the newspapers, and we've got very long lists. I tried one day in question period to read, I think, one tenth of them into the record, and the Speaker cut me off because I was taking too long. There's the Ford Motor one of \$2 billion in Oakville and Windsor to build mini-vans and light trucks. In Windsor more than \$1 billion will be spent to produce truck engines, beginning in 1995. In Oakville more than \$1 billion, including the \$439 million already committed to the new paint plant, will be invested in the Oakville facil-

ity, the sole supplier of Ford's new mini-vans for 1993. About 400 jobs in Oakville will be added, and employment will be maintained at the current levels in Windsor.

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Canadian General Electric announced plans to invest \$144 million in an Oakville plant to produce two new, advanced-technology, energy-efficient light products. This commitment is expected to create 190 new jobs in 1996. Of course we were able to assist CGE in this venture by providing a \$25-million repayable loan.

In January, Glaxo Inc, a pharmaceutical manufacturer, stated that it intends to begin construction on a \$70-million manufacturing plant in Mississauga. We've been working closely with the pharmaceutical industry, and there's a lot of interest in opening up new research centres here. We're certainly in the bidding with one of the very large Swedish companies to locate its research here rather than in Europe, the United States or Australia, which I believe is the other possible location.

In December 1991, Northern Telecom won a \$1-billion contract to upgrade telephone lines for its network. Northern Telecom's Bramalea operation will receive 25% to 30% of the business arising out of that deal for Ameritech telecommunications network.

You've read about some of the investments by IBM, and 3M Canada has invested almost \$50 million to expand and upgrade its Ontario operations, including a new \$30-million facility in Brockville. Kraft General Foods Canada announced that it will be spending \$35 million on its plants in Scarborough and Cobourg. Of course, General Motors has just made announcements about its Oshawa 2.

I could go on and on; those are just the bigger ones. In addition to that, we're winning some major international contracts that involve our architectural firms and consulting work and services. What might be useful in that regard—has Gordon Gow just left the room or is he still here? I don't have the list of those in front of me.

Mr Jamison: That's basically what I wanted to hear. As I became aware, the negative is out there in an unreal sense today. Reflecting on the Ontario Competitiveness Report done by your ministry, the very first graph I look at indicates that almost a full half of investment in Canada is taking place here in Ontario, which again makes me wonder what type of rhetoric is out there when we hear people constantly talking about investment being scared away.

Hon Mr Philip: I'll tell you, though, what is scaring them away and why we're dealing with the problem. There's an interesting paper that identifies the problem turned out by the Canadian Bankers Association; it was sent to me. I haven't had a chance to read the whole paper—I just got it—but it was done by Allan Riding of Carleton University and Catherine Swift of the Canadian Federation of Independent Business. They point out that "there's evidence that the growth of Canadian technology-based firms may be mitigated by the lack of capital." Their surveys of Ontario technology firms and the report of the Premier's Council in 1989 related that the lack of adequate equity and debt capital were the two most frequently cited constraints on growth in this country.

We are having some major problems, as Gordon would tell you, in getting through the federal financing operations for getting some foreign contracts, compared to the Germans and other countries that are in there competing with lending powers. We can compete technologically, but one of the biggest problems facing this government is coming up with the way in which we can provide risk capital and venture capital. That's one of the things we're struggling with at the moment.

Mr Jamison: I think George Dadamo has some questions for you, Mr Minister.

Mr George Dadamo (Windsor-Sandwich): Minister, I want to take you back to page 4 of your report to us yesterday.

Hon Mr Philip: Of my speech?

Mr Dadamo: Yes, your speech, sir.

The Chair: It just sounded like a report, but it was actually a speech.

Hon Mr Philip: Well, it's the only way I can get a speech in in less than half an hour.

Mr Dadamo: Absolutely. I'm sure my colleague Wayne Lessard will concur with this. We're of course concerned about the cross-border fiasco. On page 4, it says, "We also worked closely with hard-hit border communities to implement a program to combat cross-border shopping," and there is a total of nine, I believe, cross-border regions.

"The results to date have been positive," and there is a member of the Fort Frances-Rainy River border zone advisory committee who says: "The loan campaign went overwhelmingly well.... The public became aware of just how important the businesses are for our town and how we are able to help."

Anyway, I wanted to talk about some of the moneys that came to Windsor, to BZAC, in the amount of just over \$199,000, in the last several months. My colleague Mr Lessard and I made the announcement at Windsor city hall, and we thank you for that. What I'd like to find out, from you or from someone in your ministry, is if we can look forward to some other funds coming our way in the next little while. I'll tell you why.

Megeed Ragab is a professor of business at the University of Windsor; he is also chair of the BZAC. He made some observations in an article he wrote for *In Business Windsor* magazine this last month. I wanted to quote a couple of things, if I may.

He says: "It has been nearly two years since the crescendo of the cross-border shopping problem sent shock waves into our retailing community. Since then, many good-news things have happened.... Our observation is that Canadians are buying primarily loss leaders from Michigan. Their other purchases are made in Canada."

"Secondly, price levels in the Windsor area have dropped significantly—believe it or not...."

"Thirdly, our local retailers have put forth a valiant effort to win back Canadian shoppers...."

"The task force has launched six initiatives, starting with the Value Assurance Awards initiative"—and I think you talked about Ford's Q1, Quality 1, Award—"in the clothing retailing sectors. The local consulting firm of

Moore and Associates carried out the pilot test with enthusiasm. New funding has been approved for it. We are ready for a full-scale implementation in that sector."

The final thing they have done with this money: "The Shop Local Hotline initiative was launched July 1. This line provides the names and telephone numbers of Canadian retailers who meet or beat Detroit prices. We have been receiving 14 calls every hour."

"With the help of"—a company in Windsor—"and a group of local trainers, nearly 60 retailers and employees received specialized training ranging from competitive strategy to customer satisfaction."

I'd like to say that the mayor has done a wonderful job with BZAC, as well as the entire committee—which is a large one, I think about 36 members—as well as the merchants and the rest of city council. I'd like to find out if there are any other initiatives that are coming to this committee in Windsor, or can any other of the border regions look for any other kind of money that may come in order to combat cross-border shopping?

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Hon Mr Philip: As you know, and I'm going to ask Peter Friedman to add some information to this, the concept was that communities know best how they can compete with their competitors across the border. So we are in a constant consultation and monitoring process on how successful these are, and they are coming forward with new initiatives and new proposals to us.

At the same time, I can tell you that I have some real concerns with the NAFTA agreement. The very clothiers you talked about, the apparel industry, may have some real problems, and that's going to complicate what we're already doing.

Some of the programs I'm particularly enthusiastic about are that we've been able to involve the retailing industry at a provincial level. They're saying, "Yes, these initiatives at the border were important, but also we need some other initiatives at a provincial level or at a sectoral level." The retailers in Canada have been feeling some of the same kinds of pressures that perhaps those in Florida and the southern states faced a couple of years ago.

What we're looking at is working with that sector, developing training, developing new ways of merchandising and developing new ways of doing inventory control and looking at the whole financing of inventory and so forth, so that we can become a more efficient industry. If we can lower our overhead costs in that industry and become more competitive, then it's easier to compete. It's not just an advertising program or appealing to people's sense of loyalty to Canada and so forth. Peter, maybe you'd like to add something to that.

Mr Peter Friedman: There are just a couple of things I want to add. First of all, we're in the final stages of developing a province-wide consumer awareness campaign, which would be available through a media relations mechanism, where we would make known opportunities for shoppers in Canada on an across-the-system basis.

We have done quite a bit, actually, at the border communities. In fact, they have got quite a few things going

for themselves in terms of awareness, in terms of retail training and in a number of areas. We want to expand that now to make it available to other communities in Ontario and to the broader shopper network, because what we're finding is that cross-border shopping is also being done by Toronto people and by Hamilton people, not just in the nine border communities.

We're now in the final stages of launching. We want to make sure we hit the pre-Christmas purchasing mechanism, and we're working now with a group of people. We have about \$1 million that we're going to put into media awareness; not an advertising campaign, but telling people where the value is in Ontario, which is not very well known, I might add. Everybody seems to know about the factory outlets in Buffalo, but very few know about the factory outlets in Ontario, of which there are quite a few. That's the sort of thing where we're quite a ways down the road.

But in the border communities, the fund itself will continue next year. So it's not an ending thing; it's a beginning. We're also joining forces with the Retail Council of Canada and the Ontario Federation of Labour, as well as with the federal government, to try to work together and put many of these things in place.

We haven't stopped cross-border shopping yet. Some things have been mitigated because of a number of circumstances, but what we have done is given many people in border communities a chance, that they now have at least a handle to do something for themselves. So it's not just watching the people go by. They now seem to be much more positive. When I first got involved in this about a year and a half ago, there was a very negative feeling among those people, that they were losing control of this. Now it's beginning to look more positive, not just in Windsor—which I think has done a good job—but in all the nine border zones. We're getting back quite positive remarks.

Mr Tony Ruprecht (Parkdale): I'm delighted to be back here today to follow up on the questions I asked yesterday. I appreciate the remarks the minister made in terms of these questions and their importance.

Hon Mr Philip: Can you just give me a minute to find my notes on what you asked yesterday?

Mr Ruprecht: No problem. Let me just make some remarks before I ask these questions. This ministry, as you know, Minister, more than any other ministry, has had in the past, and no doubt will have in the future, an important impact on lives and the quality of life, being competitive in Ontario. That's why I think these discussions are of real value to us. While the opposition obviously is going to focus on the bad news of plant closings and job dislocations, and while it may be the government's position to focus on the issue of job creation, why can't we agree, at least, that if the bad news is bad, let's see how we can make it better? If the good news is good, in terms of job creation, if we're doing something right, let's see if that can be enhanced, at least in that perspective. I think something really good can come out of these estimates and out of these discussions.

We know that Ontario's been affected greatly in terms of the US-Canada free trade agreement. There is something we could have done better; you could have done better; the ministry could have done better. It did not take a scientist to figure out that once we went into the free trade agreement with the United States, as an example—and why these comments are important is because we're now into a new situation with Mexico—we needed to come up with some kind of policy to figure out how to stop the haemorrhaging and the dislocations that were going to take place.

It didn't take a big scientist to figure out, for instance, that the American branch plants, which we as Canadians and our financial institutions financed—as you had indicated, one of our basic problems is financing and risk capital. It is our own institutions, if you check the record, that are financing, to a great degree, American corporations coming into Canada and making investments, but are timid and shy indeed when it comes to financing our own corporations in terms of risk capital. There's something we could have done in that direction, I think, at least through some incentive programming.

In terms of the haemorrhaging of jobs and closing of branch plants, we could have figured that out. That's something your colleague from York University indicated 20 years ago in a number of books: branch plant USA, the closing of this and the closing of that. That's nothing new, when a great deal of our industries in fact do rest in the hands of our partners to the south.

The point is this: If indeed we could have done something better to stop the move to the United States—specifically, we could have figured out the branch plants moving totally once the barriers had been reduced—we're now in the situation where, as I said yesterday, the new economic truck is bearing down upon us.

There are some things we can do. One, we can get out of the way of this truck coming down upon us. Two, we could slow it down. Three, we could create some barriers. But for God's sake, there is something you or we in this province can do. Let's try to figure it out.

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Now, we know—and I'm taking some of the time, which is really okay with me—that in the past we have been very provincial. You know that, Mr Minister; we go to some of these functions together. The point is that when we compare ourselves to the aggressiveness or to the Yankee trader mentality in the United States, we come up short. It may be that our history has something to do with it, being the hewers of wood and drawers of water; sitting on our resources, essentially. But when we compare ourselves to what they do or to what some of the Germans or Japanese do on the international market, we come up short.

Obviously, we have to have some programs and policies that will act as an incentive to own industry, and we're doing that. Our point here is that we can do it even better. We can look at what these other people are doing and then act accordingly.

How we're going to get into motivating our own industries and being internationally competitive is a different story; the whole question of motivation and what we do as

Canadians. But for God's sake, let's try to figure out some plans.

That brings me to NAFTA. My first question would be—

Hon Mr Philip: Do you want me to respond to what you've just said?

Mr Ruprecht: No, I want you to respond to my question. That was just a preamble and comments. What I would like you to do is answer the first question, if you don't mind. The first question is this: We know about NAFTA; could you tell us what your ministry has done in terms of providing Canadians with access to the Mexican market? Is anything in the works? How quickly can we act on that, and are you doing it?

Hon Mr Philip: Let me respond first to your preamble by saying this: I agree that Ontario has been very provincial. I think all of North America has been very provincial, if by "provincial" you mean that we've sat back and relied on natural resources and doing business the way we have. So we face competition not just from the United States, but also globally. Even though we could have predicted, and indeed economists were predicting, that there would be some shake-down with the free trade agreement, it was introduced on January 1, 1989, and your government had no policies to cope with it. The federal government doesn't have an industrial strategy to cope; indeed, its trade policy is its industrial strategy, when it should be the other way around. You need an industrial strategy, and then trade is part of it.

Mr Ruprecht: So let's learn from that.

Hon Mr Philip: So we said: "We agree that the previous government didn't do its homework. They didn't do anything other than to say that they had a veto—which they later discovered they didn't have—over free trade. So let's deal with this problem."

We dealt with it in two ways. We looked at what kinds of adjustments are needed. We went to the federal government and said: "You brought in free trade. Here are the kinds of adjustments you should be looking at." They said basically, "We can't identify whether this is related to free trade or whether it's related to other things," and so forth, and they didn't bring in any adjustment programs.

Also, in terms of the free trade agreement or NAFTA, we had one of two choices. We could either say, "We disagree with this and therefore we're walking away from the table and it's your baby, Charlie, and you live with the consequences," or we could be there arguing on behalf of Ontario industry and putting forcefully our case and our concerns. We did that. My staff and I spent a tremendous amount of time talking with Michael Wilson; I give him credit that any time I wanted to speak to him, he was available, and his staff shared as much information as they could. It was a constantly changing target, as you probably know.

There are some problems now with NAFTA. If you'd like, I can outline some of the problems we see with the present agreement. Maybe Katherine and Peter Sadlier-Brown can also fill us in on some additional information, because they've got a lot of documentation with them; as it

comes off the fax machine, so to speak. But there are some real problems we are going to face with the present NAFTA agreement.

The rules restricting free trade in clothing and textiles to products containing North American fibres and yarns will certainly boost the US textile industry. We tend not to have, to the best of my knowledge, any cotton-growing farms. We tend to import fabrics from India, from Italy, from the Philippines. We manufacture clothes like this suit, which is an excellent suit made by Cambridge, an Ontario-made suit; I won't ask any of you to pass that test. It's a good Hamilton company, I believe, even though it has the name Cambridge. I don't know where the fabric came from, but I wouldn't be surprised if it were made offshore.

Mr Ruprecht: I think you've made your point on that.

Hon Mr Philip: I can tell you where I bought it—a \$300 discount. I got it for \$700 and something. You'd be surprised how much my wife was pleased. I bought two of them.

Mr Ruprecht: Maybe we can concentrate on the access to the Mexican market, Ed.

Hon Mr Philip: Okay. I can go through the different problems, but in terms of your Mexican market question, we certainly have gone very aggressively after the Mexican market. I met with their various political and other leaders. The most visible example of Canadian-Ontario interest in Mexico was the remarkable success we had in Monterrey at the Canada Expo '92. For instance, we confirmed sales of \$2.9 million, with projected sales of \$80 million over the next two years; 30 firms concluded agent-representative agreements. We got 16 joint ventures, 10 direct investment projects, and I could list the various groups who got sales out of that.

In the auto parts, ABC Group; plastics technology, which of course we are very hawkish on, the plastics industry, and think there's a tremendous potential for it in Ontario; machine tool and die, related metalworking technology and materials, and so forth. We did extremely well.

My assistant deputy minister had spent a considerable amount of time in Mexico. Of course we are now serving Mexico out of the Houston office: however, we are looking at all our offices and looking at ways of servicing that market—not just because of the Mexican market in itself, but also because we're interested in the whole Latin American market. I think that has tremendous potential; we're selling an awful lot in Latin America.

DelCan has just obtained some major contracts to put in two sewage treatment plants in Venezuela, and we're looking at new opportunities in Argentina. The Argentinian government has just appointed its first consul general to Ontario and I've spent some time with him on a couple of occasions discussing opportunities. So there are tremendous opportunities in that whole Latin America area. If we get a GATT agreement, then the opportunities are even more so.

Gordon, do you have something you want to add, as you are now the director of everything out there?

The Chair: Mr Gow, Hansard wouldn't pick up the fact that you don't have anything additional to contribute at this time. Mr Ruprecht, do you have any further questions on this?

Mr Ruprecht: Yes. While Mr Gow is coming forward—at least I hope he does—

Hon Mr Philip: I think Mr Ruprecht wanted Mr Gow to reply.

The Chair: I was waiting for Mr Ruprecht to indicate what he wanted to do.

Mr Ruprecht: If he's coming forward—he just sat down again. You might as well get up and make your way to the table over all these other bodies that are in your way.

Hon Mr Philip: Gordon does a lot of travelling, and he's doing it in this room.

Mr Ruprecht: I would very much appreciate you following up the minister's statement that we're expanding into the Latin American market. That may be one of your areas of jurisdiction. Can you tell this committee, are we expanding trade missions into that Latin American market or are we just standing still in terms of the number of trade missions?

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Mr Gordon Gow: I don't think I can tell you that we're standing still, because we're not. I noticed in some of the questions that "trade mission" is defined as an office. Within that area at the present time, that's all under the evaluation and the consultant's report that is doing a study as to where our offices go.

However, in the actual business climate, there are number of joint ventures we're doing with the federal government in going to business shows. There's been a large one in Mexico just recently on the construction industry, which was extremely successful. As a matter of fact, our engineers and architects are presently looking at building plants in Mexico for Mexican and foreign companies. One, we hope, very soon will be with Volkswagen to do a full manufacturing plant just outside of Mexico. The minister was up to Royal Plastics a couple of weeks ago—maybe it was even last week; I'm losing time. There was an announcement there that Argentina has bought the first 4,000 plastic homes, which will go into that jurisdiction through the government there.

So we are participating in the missions. We are participating in doing the business. I would say it's on the increase. If I take the term of the last two years, we've been doing more activity in the central Americas than we've ever done before.

Mr Ruprecht: That's good news.

Hon Mr Philip: May I just comment, because I don't want us in any way to mislead—I'm sure Gordon isn't doing that. Some of us have some concerns, particularly myself, about some of the traditional trade missions. I think we have to be careful in how we use that word. To me, a trade mission can be one minister and two or three companies going selectively, as Gordon Gow and I did in Iran, where we had a very small group of people. The ambassador said he thought it was the best and most focused

mission, if you want to use that word, he had seen, and he had been ambassador to a number of countries.

I am not overly enamoured with bringing large numbers of people—without being too partisan—such as the Italian visit of David Peterson, in which anybody who had a name that ended in "i" got to go on a trip to Italy. I don't think that was particularly useful.

Mr Ruprecht: We'll skip those comments. Let's not get into this particular argument.

The Chair: Minister, your comments are bordering on the offensive, and I'd ask you to respond directly to the question.

Hon Mr Philip: Mr Ruprecht and I are good friends. He didn't find it offensive; he thought I was just joking.

Mr Ruprecht: I know he was joking. Still, keep your comments short on the partisan line.

Let's get back to the exhibitions and trade missions, if you don't mind. I know Gord is trying to do a good job, and no doubt he is, but my concern is this: We're talking about expansion. If I'm not mistaken, 76 exhibitions during the last year went in an aggressive way across the globe. How many of these 76 were focused towards Latin America, if indeed we're moving in that direction? What countries are you targeting specifically south of Mexico?

Mr Gow: I don't know the exact split of the 76 that went into the central Americas, but I can certainly find that number out and give it to you. Generally, right now we are focusing on the markets where we will get paid, where there's money around in those communities, and where in fact our businesses have already made some entrenchment and are making some successes; we're trying to leverage those successes. I, like the minister, do not favour just going on a fishing trip, but more going into some specific business deals to which we can bring focus and leverage that business we're already doing there. So that brings us to a lot of activities in southeast Asia, the central Americas, the United States, of course, and Europe, both the fringes of eastern Europe and western Europe. Those are the targets we're aiming at.

Mr Ruprecht: I appreciate those comments, but what I want to know specifically is this: If we had 76 missions this year, if our statistics are correct, then you've reduced that number, and your response to this reduction in terms of trade missions or exhibitions going from Ontario to other places to drum up business—I suppose that's the aggressiveness I like to see. If you are in fact reducing that number, is it because we're still in the mentality of a recession or is it because there is a philosophical point to be made simply by saying, "We're not in favour of your simply going on a mission"?

Of course we wouldn't be in favour if it wouldn't be productive, but I would think there may be some variables that can be identified, adjusted or at least seen as being positive by having an increasing number of missions, because only through these expositions and exhibitions can we be seen as being aggressive enough to get after some business from abroad. So if you could tell me, please.

Hon Mr Philip: Maybe I can start to answer that and then Gordon will look at it and add to it. But I'm not

convinced, and I think if we look at the figures of what Ontario International Corp actually can relate in contracts this year as compared to previous years, they're up substantially. I don't think that you relate necessarily the business you bring back by the number of missions that you have. What you have to have is a strategy in which you are focused and in which you do a variety of things that bring in missions.

During the 1991-92 fiscal year, OIC assisted Ontario professional service firms to acquire 35 contracts valued at \$486 million to Ontario, and at the end of the fiscal year it was assisting companies to pursue 550 projects valued at \$6.7 billion in 96 countries. When you consider that OIC has an operating budget of \$4 million, that's pretty good value for money.

What I'm saying is that I guess I've been sceptical about very large fishing trips. What we've tried to do is to focus on other ways that we can be more effective. For example, I've been doing a lot more than I think the previous government had been doing in meeting with and encouraging immigrant Canadian business associations to be formed and working with them to see what the opportunities are in their countries of origin, and in meeting with consuls general to find out what the changes are in trade laws in their countries.

For example, India and Pakistan are changing their trade laws so that we can invest in their countries, do joint ventures and take profits out of the country, whereas before there was a disincentive, because of their trade laws, to do things like that. Therefore it becomes more important for us to look at a country that's doing that kind of thing. I think we're more focused and I think if you compare our record now with previous records, we're doing more with less money. I think that we have a better feel, that it's working better that way.

But as I said to Monte Kwinter, who has some contacts in various countries, and I'll say the same thing to you because I know that you have some good contacts in what used to be called the Iron bloc countries, we are willing to meet with anybody. Representatives from Ukraine were in to talk to us. We're signing a memorandum of understanding with the Russian republic soon. We're working on that.

The other method that we're using, which I think is more innovative, is that we're signing agreements on a provincial level, if I can use that, or a state level, for joint ventures in research and development and trade missions back and forth between jurisdictions. For example, I have met with representatives, including the prime minister, of Catalonia, the major industrial province—or is it called a state?—of northern Spain. We've got the Four Motors projects. We are looking at other similar kinds of things, because unless we're willing to do joint ventures and joint research—I think that the payoff in the long term will mean that we'll have more access to Europe and to other countries.

Those are the kinds of things that we're looking at, rather than the traditional pattern of bringing 20 business people to a particular country, so it's a different focus.

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Mr Ruprecht: Yes, I understand, and it may even be a better focus, but let's encourage you to continue along those lines and do it fairly quickly.

Can I get one more question in or am I out of time?

The Chair: You are out of time.

Mr Ruprecht: Almost out of time?

The Chair: You are out of time.

Mr Ruprecht: In that case, let me ask one quick question. You had mentioned earlier—

Interjections.

Hon Mr Philip: Come on, gang. He's got a question.

Mr Ruprecht: You had mentioned earlier what I think is probably one of the most important points you had raised that could really make an impact here in Ontario and that was the idea that our own financial institutions are unable to provide risk capital for venture. What is your ministry now doing? Knowing that fact, what can you do to encourage this kind of risk capital to be developed, and that would of course help us to establish new corporations?

Hon Mr Philip: I'm so glad you asked that question. I haven't provided any of the people on that side with questions, but I might have been tempted to—

Mr Ruprecht: No, because that's an important point even if it's—

Hon Mr Philip: —if you hadn't asked that question.

Mr Ruprecht: Yes.

Hon Mr Philip: Certainly, as you know, we're moving along with our Ontario investment fund. We have had just tremendous support from the private business community, the trust companies and others who are very interested in this, including the banks, and I believe—

The Chair: Do you want to hear from Sarah Bernstein?

Hon Mr Philip: Would Sarah Bernstein like to bring you up to date perhaps on the consultation that we've done? We're developing a model that I think everyone is very supportive of.

The Chair: Please introduce yourself, Ms Bernstein.

Ms Sarah Bernstein: I'm Sarah Bernstein. I'm project director for the Ontario investment fund initiative of the ministry.

As you may know, the treasury released a discussion paper last April on the Ontario investment fund initiative and over the last four months, under the leadership of Felix Chee, who was seconded from Hydro to help out on the project, we've held many consultations with a broad range of stakeholders from the business community, from the financial sector, from labour and also from pension funds.

We have also been working with a very high profile advisory committee to the minister, again including representation across the broad range of stakeholders who may be interested and necessary to bring together to promote investments in this area. Some of the people include Gordon Cheesbrough from ScotiaMcLeod, Peter Maurice, president and CEO of Canada Trust, Julie Davis, the

secretary-treasurer of the Ontario Federation of Labour, and I can go on.

We have an excellent committee that has put in a lot of time to help us and the ministers both go through the results of the consultation meetings and come up with a design for the model that really responds to the types of comments we've got, both from general consultations and from other people we've had a chance to involve in the process.

As the minister mentioned, we've had very interested and supportive, constructive comments. Our consultations have not been just public relations to set forth the initiative but real working meetings where we get effective input from business and every other community to design a working initiative that can bring everybody to the table.

As of this point in time, we have pretty much wrapped up the preliminary consultation stage and will be working with the advisory committee over the next month or so to define a more precise model that we can bring to the minister and finally to cabinet in the fall.

I'd be happy to answer any further questions, but I think we are on the road to helping in a small way, to try and do something along the lines of the question you were asking, which is to help Ontario provide more risk capital to small and mid-sized companies and expand the knowledge base of these companies over the long term.

The Chair: Thank you, Ms Bernstein.

Mr Carr: I was looking on page 45 where the minister mentioned Canadian General Electric in my riding getting the 200 jobs—\$33 million was given to that company—and I was interested in your comments, Minister, with regard to General Electric and the problems with Camco and General Steel Wares.

As you know, it's been in the paper that we could have some problems with the Camco plant and maybe the minister or the deputy or whoever could update us on what has transpired with that, because there are some concerns of people in Hamilton with regard to the jobs there.

Hon Mr Philip: I recognize that there are those concerns. Peter Tanaka, who has put together so many of the big deals in our ministry for the last year or so, is on top of that, and it's a difficult situation.

Mr Armstrong: Maybe just before Peter talks, just for purposes of clarity, I think Mr Carr was referring to the GE-Camco matter in particular. Peter can perhaps talk about both of them, but on that one, I guess there's a word of caution.

Mr Carr: I know it's before the courts.

Mr Armstrong: We know that GE and Camco are before the courts, and we know what each side is alleging with respect to whether or not Camco is being stripped of—

Mr Carr: That's the one I specifically wanted.

Hon Mr Philip: That's why I courageously gave the question to Peter Tanaka.

Mr Carr: That's why the deputy gave him a bit of a warning. We all recognize that.

Mr Armstrong: That's why I courageously intervened.

Mr Carr: As a good deputy should.

The Chair: The Chair would just like to hear from somebody about this.

Hon Mr Philip: Peter's had recent court experience, so I just figured he'd be better able to answer that.

Mr Carr: Recognizing that, all I want to know is where we're at with it.

Mr Armstrong: It's very difficult. We have been briefed on that dispute by both sides. If I may say so, it would be inappropriate for us to comment on the merits of that particular piece of litigation.

Mr Carr: Okay, if you'd rather not, I understand.

Mr Armstrong: Other than that, Peter's free to say anything.

Mr Carr: Under the circumstances, I appreciate it. Peter, go ahead.

The Chair: Please introduce yourself and proceed.

Mr Peter Tanaka: Peter Tanaka, director of the domestic industry support branch. Thanks for the warning, deputy. Mr Carr, that was going to be my answer in terms of GSW. I think we all understand the sensitivity surrounding that. However, Camco and MITT have been continuing to work for the last four years in trying to seek out a solution for a product-mandated operation for North America. As I speak, those discussions are still continuing as of today.

Mr Carr: Thank you. I understand. I know the circumstance you're under. Minister, this question is to you regarding Bill 150. Yesterday in my presentation I read out what the Canadian Federation of Independent Business said. They said a better use of the \$250 million—which would accomplish the same abovenoted objective, which, if you know when the government announced it, was to provide small and medium-sized companies with new sources of capital which they can use to modernize for growth and for restructuring for the operations.

As I said yesterday, the Canadian Federation of Independent Business came in and said, "Thank you, we realize you're trying to help small and medium businesses." What they said in the presentation was that this won't do it. At the bottom of page 2, they say, "Even if the availability of financing were a bigger problem than it is in the small business community, the labour-sponsored venture capital corporation program is inappropriately designed to deliver a solution." They came and said that. I gave the quote yesterday from the chamber of commerce, yet the government is proceeding with it.

How can you on the one hand say you're listening to business when on the other hand they make a definite statement saying, "Thank you very much, but this isn't going to do it," and then the government proceeds? Maybe you could explain exactly why you proceeded with that in light of the fact that the small business community didn't want it.

Hon Mr Philip: I'm not convinced that any one group speaks for small business any more than any one group—

Mr Carr: There are two: the chamber and the CFIB.

Hon Mr Philip: Well, I'm sorry, but if you'd checked with the Canadian Chamber of Commerce, they endorsed our industrial strategy.

Mr Carr: No, Bill 150.

Hon Mr Philip: Oh, Bill 150, the employee ownership.

Mr Carr: Yes.

Hon Mr Philip: The fact is that if you meet with the banking community, if you meet with the various groups, and particularly if you meet with those groups that are entered in what we would call the high value added industries, they constantly talk about the need for additional capital.

The employee ownership proposal was brought forward. It is an optional proposal. It will only be used in those cases where communities and employees and investors see it as a mechanism to purchase firms. It's one of many vehicles. We don't think that because some particular groups say that this is not the route to go that we should exclude others that have obviously chosen that this is the route for them. It promotes partnership.

There is research in the United States and elsewhere that companies that are owned by employees do have a higher productivity than those that are not. We've seen companies that, through voluntary or other ways, without any kind of government help, are employee-owned, and Husky is a good example. It's one of the better examples of a company that has a growth rate of 20% and is almost—with the exception of the 26% Japanese ownership—entirely owned by employees. United Parcel Service is another example. We think it's one of the tools that should be open. It may not be for everyone any more than naturopaths may be for everyone as their choice of medical attention, but it's one of the options.

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Mr Carr: I'll go into the next question, because the concern is, as they said, "You're not going to reach the goal." They appreciate the fact that there were hearings on the bill and they said it won't achieve the objectives for the amount of money to be spent. They told you specifically what you should do, which was to reduce the employer health payroll tax to as much as you could to spend that \$250 million. That would be a better help for small businesses. Yet the government proceeds. So be it.

On the next question—on page 25 of your industrial strategy, An Industrial Policy Framework for Ontario—

Hon Mr Philip: Someone should give me a copy of that. I didn't bring it. I thought I had it memorized, but I don't know the page numbers.

Mr Carr: Page 25 is the sector partnership fund. Maybe you could let us know, of the \$150 million that we're spending on that over three years, how much will be spent this year? Is that new money? Also, can you give a clear mandate of the objectives of that and maybe table it with the committee as to what specifically that fund is going to do?

Hon Mr Philip: Yes. Peter Sadlier-Brown will want to add to this. In this year we've budgeted, as I recall, \$30 million, because as you know, in the startup of any program it takes a while to get started. Part of the money is to actually assist groups of companies to form themselves into sectors and to start developing programs of working and cooperating together.

If we look at various industries, you find that some are very far ahead in terms of developing sector associations and sector proposals, and others have been used to perhaps more of an Adam Smith approach to the world, if you want, of every man for himself.

Part of the fund then can be used initially to get those sectors together, get them talking to one another and get the kind of research that it's necessary to pull together. After that, of course, we will be looking at specific proposals coming out of those sectors. This morning, for example, in the telecommunications area, the telecommunications companies have released to Karen Haslam and myself a very elaborate set of guidelines of proposals, if you want, that perhaps someone might like to ask me about later, that have 11 specific initiatives. Some of those are initiatives that might fall under sector partnership. A vast majority would probably fall under their own financing. We've been working with the auto parts industry. Certainly the plastics association is very far ahead, and we've signed a memorandum of understanding with it.

Mr Carr: So, how much is new money? How much, for example, would the plastics industry—

Hon Mr Philip: It's all new money, yes.

Mr Carr: It's all new money. And how much, for example, would the plastics industry get? Are you close to sending specific money to people or—

Hon Mr Philip: Nothing has been allocated under the new \$150 million. But if we wanted to look at examples of what, knowing where we were going, we did through other programs—through Peter Tanaka's department and so forth and through ODC—we have done various projects that probably could more or less have fit into the sector partnership fund, had it existed at that time. I think, for example, of the Ontario health biotech centre in Ottawa that might have fallen under that—at least the study parts might have—as a possibility.

Mr Armstrong: It's the Ontario health sciences.

Hon Mr Philip: Ontario health sciences. I always know the details of these programs and can never remember the names.

Certainly the program in the tool, die and mould area that I have referred to in the city of Midland would be a good example.

Mr Carr: If we could get just a copy of that one where the mandate is laid out, it would be—

Hon Mr Philip: The point I would like to make, though, is that \$150 million is a small amount compared to the money that we hope to generate from private enterprise as a result of these.

Mr Carr: And how much would that be?

Hon Mr Philip: It depends on the project, the sophistication of the group and so forth. Let me just give you an example of the Husky case, because I know some of you have been receiving letters on it, and I've shared with you so that in case you wanted to ask a question in the House, at least you'd ask it with the full information.

With a \$20-million loan, we actually were able to get loosened up from private enterprise, namely Husky, \$196 million. Any time that I can give a \$20-million loan and get \$196 million invested in making that company and some 100 or 200 other companies more competitive, I think that is good value for money, and we're looking at that type of project.

Mr Carr: We're assured of the transfer, because, as you know in that particular case, there is concern that one company gets it and the other does not. How are we working to ensure that, indeed, it will be—because the perception could be out there that, when we're doing that for one particular company, that company gets the benefit over the XYZ Co?

Hon Mr Philip: That's an unfortunate perception, because certainly the plastics association thought it was a good idea. They endorsed it. I don't want to talk about what's before the courts, but as you know, one company that isn't happy is suing the plastics association.

Mr Carr: I agree that through associations is the best way to do it, and your group, if you're the biggest and get into associations, I appreciate that.

Hon Mr Philip: Part of the problem, though, that we run into is that in some areas competition has been so fierce that we may not be able to go entirely through associations. For example, when I talked with auto and auto parts industries, some of them have said, "Well, we may not be able to have a program that combines all the Big Three and all the Japanese-invested Canadian companies, but what we may be able to do is develop a program, for example, in which Ford and all of its suppliers initially involve themselves in a sector initiative," and maybe GM might do something similar. Hopefully, then, as we start working through them, we can show them that it's in their economic interests, in at least pre-competitive areas, to do things that benefit the whole industry.

Toyota has moved, interestingly enough, into some very interesting things which it is throwing open to the whole industry, to every company, to get training and so forth. They are doing it through two community colleges. So there are some fairly progressive companies out there that see the value of that.

Mr Carr: I, like a lot of members, received the new ventures book, and I appreciate that, from the minister. We got quite a few of them that came through from the Ontario Development Corporation. With regard to that program, specifically this year—and I know the numbers are listed there—how many companies and how much money are we going to be spending and, more importantly, through that, what is our estimate of the number of jobs that will be created through the program?

Hon Mr Philip: I think Brian may have that figure for you. No, David has the actual numbers.

Mr MacKinnon: For the current year, which is a projection, of course, to the end of the year, our expectation is that we would assist 2,934 firms with that program, with an anticipated creation of approximately 4,078 jobs. These, of course, are very small firms because they are startups.

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Mr Carr: And the amount spent, total, on that?

Mr MacKinnon: The maximum loan that we guarantee through the chartered banks is \$15,000 per enterprise. The smallest ones that we do have been just over \$5,000. The typical size is around \$13,000. Those, I think, would be the approximately accurate numbers.

Mr Carr: And in terms of how much will be spent, how much do you figure will be spent?

Mr MacKinnon: Again, I don't have the exact expenditures, at least not immediately available. My colleague will perhaps dig them up in a moment.

Mr Carr: Maybe while they're doing that, you could go through the criteria that are used, because I received the book, as I said, which was very helpful. What criteria do you use in making that out and in making the determination? I think you've got policy and guidelines that are laid out here—

Mr MacKinnon: Yes.

Mr Carr: —but maybe you could just summarize. What are you looking for in this type of project?

Mr MacKinnon: You'll notice in that application form, there's a business plan form. What we're really looking for is a quality effort in filling out that plan and showing that the proponent has really thought through this proposal in a serious way, and also every single aspect of it. I think that's the most important single thing, by far, we're looking for. It's a demonstration of viability.

Just as an aside from that—it's aside altogether—we're finding a very considerable demand for that form in academic institutions and elsewhere simply because it is such a useful way of judging whether this enterprise will succeed or fail.

Just on the numbers, in 1992-93, the budget for new ventures would be \$17.1 million, and the vast bulk of that expenditure would be for guarantees honoured from the previous parcels of loans dating back to 1987.

Mr Carr: What are our loan losses since 1987? What are the figures on that?

Mr MacKinnon: The actual losses would range. It depends on the individual parcel of loan. For example, the loan losses for the 1987 parcel would have gone for five years, and that's the best indication of that particular year. There's also a declining rate, as you'd expect, given the relatively less time that has elapsed for each of the years subsequent to that. We're just looking those up now.

Mr Carr: What I'm looking at basically is, are we getting value for the amount? If it is too much to get here, certainly perhaps you could table it. What I'd like to see is if we've got the amount that's been spent since the inception of the program, the loan losses and the number of jobs created. Obviously what we're looking at is to see if we're

getting good value for the amount that is being spent. If he's got it, great. If not, if we could just—

Mr MacKinnon: I can give you some of that. From the program inception to March 31, \$61.1 million in guarantees have been honoured and \$287.7 million in loans have been guaranteed. If you wish, I can supply you later with the breakdown.

If I could make two comments on the value for money, perhaps that might be helpful.

Mr Carr: Sure.

Mr MacKinnon: One is that we have analysed this program in some detail, and the question centres on what proportion of those jobs created are incremental, that would not otherwise have been created. According to the accounting firm that did that project, the answer is nearly half. If you then work your way through the income generation and the provincial income taxes paid as a result of that incremental half only, because it's not fair to count the other half, the advice of the accounting firm was that in all probability, we were getting a financial return to the province through the tax collection system that exceeded the expenditure on the program.

Mr Carr: What about for ODC, on the whole? That's for the new ventures. What about all your loans through all the programs? You've obviously done a study on that. How does that correlate and what did the accounting firm say about that?

Hon Mr Philip: We were just hearing about that this morning.

Mr Carr: Great minds think alike.

Mr MacKinnon: We didn't have an accounting firm. The study I'm quoting from is a specific study targeted at new ventures only.

Mr Carr: Oh, it wasn't an accounting firm. A study, okay.

Mr MacKinnon: Large programs like this are periodically examined, either internally or externally, in sunset reviews; you're familiar with that mechanism. This is really in the form of an internal sunset review of that program only.

However, on the ODC programs generally, if I can put it that way, I'll answer in the broader sense. Basically, the budgeting system of the government does not always reveal the full operational details. In the budget for the current year you have a gross number of about \$120 million—it's in the documents you have; \$120 million or \$125 million—for our program in total. On the basis of that program, we would provide financial assistance made available of something in the order of \$300 million or \$350 million, depending on your accounts. Now that of course works through guarantees. You get a multiplier effect because much of that is guaranteed.

For many years in the late 1980s, during a positive economic environment, the corporation as a whole actually broke even in cash terms, so there was a period of three years when there was no net cost; I think it was under \$1 million for that three-year period. Over the next three years the net cost to the province was close to \$100 million.

We will examine these figures to be sure that what I'm saying is absolutely accurate, but the net result was that over that period the entire program cost to the corporation would have been about \$100 million and the financing made available would probably have been—yes, the figures I'm talking about are right—somewhere between \$1 billion and \$1.5 billion.

Additionally, we have done some studies on the payback from individual transactions. The payback comes in three forms: either repayment of the loan; taxes earned, taxes the province gains on the incomes earned by the individuals affected; or expenses forgone, that is, expenses the province does not have to incur because it did those deals.

Based on those three components, on the individual cases we've looked at, the return to the province in financial terms exceeds the original loan or investment by about year 3.

Mr Carr: And by what ratio?

Mr MacKinnon: Well, we've only worked it to the break-even, which would be in year 3. To get a full ratio, you'd have to go all the years beyond that.

Mr Carr: But if it's just in the break-even, you surely can't be happy with that.

Mr MacKinnon: No, but clearly if it's going to break even in three years, then everything beyond that is a major gain.

Mr Carr: Okay. With regard to the loans, what do you figure in terms of jobs? It's a difficult question, but how many would we be projecting we've kept or created? I know it's like projecting budget deficits and so on, that it might not be accurate, but what are your figures telling you on number of jobs?

Mr MacKinnon: In very rough terms—I have to really qualify this because, as you know, the methodological problems are major—our sense is that over the last five years we have either maintained or created approximately 50,000 jobs through the program.

Mr Carr: What expenditure would that be over that same period?

Mr MacKinnon: Using the round terms, the net cost to the taxpayer would have been about \$100 million over that period, net cash cost.

Mr Carr: With regard to the loans, as you know, I talked yesterday about some of the problems. As the minister rightly pointed out, and actually in the auditor's report, some of those go back to 1985 in some of the programs. As you know, there are some major concerns about MITT and its loan program. What steps have we taken to ensure that some of the problems that were outlined have been corrected?

It was pretty scathing. It's too bad Mr Kwinter isn't here, because I guess some of them go back that far. It was a real condemnation of MITT and its loan programs. What have we done now so that the public can say we're not doing a bad job in terms of loans? In this day and age we really need to work on that area so the public feels confident. What have we done specifically to help in that area?

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Mr MacKinnon: If I can make an introductory comment, you'll have noticed in the Provincial Auditor's reports that there was a reply. The deputy minister, a man of considerably greater experience in these sorts of things than I, cautions me on the wisdom, or lack thereof, of disagreeing with the Provincial Auditor, so I should refrain—

Mr Carr: The minister already said he's 95% right.

Hon Mr Philip: It was the previous Provincial Auditor. You're on safe ground.

Mr Carr: Anyway, you know what I'm getting at. What have we done specifically? Because there are concerns.

Mr MacKinnon: In the Ontario Development Corp, in the last five or six years we have implemented a brand-new computerized loan accounting administration system. We have put in a new organizational structure that focuses entirely upon one individual taking responsibility of a loan throughout its entire cycle.

We have developed a whole series of new procedures for the review of loans, after the fact, when they default. Every single bad loan over \$100,000 is reviewed by our board of directors when a problem occurs that occasions a write-off.

We have broadened our management team and significantly upgraded it. We've also decentralized the decision-making of most of our lending structures from Toronto to the community where the loan exists or to nearby communities.

I'll supply you with our annual report for the last few years. Basically, the corporation bears little or no resemblance to the corporation of five or six years ago. All those steps, plus many others, have been taken to make sure that standards were as high as possible.

Mr Carr: I think we got into this last year, when you said, "You've got to remember that we're not a bank; that isn't what we're doing it for." But have we more or less standardized some of our procedures similar to what banks are doing? Is that what the reorganization was all about?

Mr MacKinnon: No.

Mr Carr: Then how did this come about? What was the rationale behind this?

Mr MacKinnon: The rationale was simply to ensure that our operations were of a standard that would be generally appropriate in relation to the private sector, that the lending standards we adopt and our accounting standards and so on were the highest possible quality.

You might recall that in the mid-1980s there was a provincial venture capital corporation, the IDEA Corp, that ran into serious difficulties.

Mr Carr: Yes. That's one of them.

Mr MacKinnon: The Ontario Development Corp assumed it and wound it up. I think it's fair to say that a great many of the lessons learned from that process were of great assistance to us in the management of our program base generally.

If I could comment briefly on the specific program the Provincial Auditor commented upon, we do manage most of those assets for the Ministry of Industry, Trade and

Technology once the decision-making surrounding them is done. We are audited routinely in a variety of different ways. There can be few parts of the public service of Ontario that get more attention from auditors and others than ODC, and in each case in the last five or six years, each annual audit has been entirely without remark by the auditor. If you look back at the private sector as well, in the light of history, when you've got the full benefit of hindsight, a lot of lending decisions—

Mr Carr: But if we were to compare your record to theirs, you would say yours is far worse, I would think.

Mr MacKinnon: Well, let me give you those figures. I think I can give you some of those figures, if it may help. At the beginning of the year, our loan losses as a percentage of total portfolio for ODC were 4.2% in 1991-92. They have risen somewhat. They were 5.2% in the previous year, 2.1% in 1989-90 and 4% in 1988-89.

The banking figures for that period would be less than that, but it is also true that our rates of increase are much lower than those of the banks. For example, loan losses for the major chartered banks in 1991 were 81% higher than their 1990 results, which is a rate of increase much higher than our own.

Mr Carr: They of course could be hit by big ones like the famous Reichmann situation, which would throw that out; that has ripple effects through the entire economy. So the big comment is that you're doing worse than they are percentage-wise.

I recognize the fact that our goal isn't to be a bank. I think you said that before. All I'm trying to say is that I'm hoping there is a big emphasis on that portion of it. As you know, banks are now looking at scaling back a lot of things, and we might not want to do that. Are you confident that we're now heading in the right direction in terms of the amounts of loan losses with regard to ODC?

Mr MacKinnon: I recall that you and I had this exact discussion last year, and I think I indicated at that time that as long as our overall percentage losses were less than 5% of the initial dollar value of the portfolio, bearing in mind that 1/10th of 1% is a big number in this frame, we could say—and this requires constant discussion with other ministries, MITT and others—that in general we feel we're on the track. If we went above that 5% figure, I think we would have to examine pretty carefully what the reasons were and understand them. They may be explicable in this environment. But as long we're under 5%, I think I can say to you that we're reasonably satisfied we're doing what we ought to be doing and doing it with reasonable prudence in risk management.

Ms Christel Haec (St Catharines-Brock): Minister, I have two questions for you. As you know, there's been a large concern expressed in my riding with regard to the closing of the foundry in St Catharines. I know you and your ministry have been very active in trying to intercede and do what you can to—well, you could say to keep it going, but I know that's not necessarily going to be possible. I'm wondering if you could update me on exactly what kind of auto negotiations you and your ministry have been undertaking which might have some implications for

the foundry in St Catharines. Then I have one other question for you.

Hon Mr Philip: We've met, as you know, with the mayors, the regional chairs, the MPPs in the area. It's not just a problem with the foundry. We're trying to look at it on a regional basis as to what the economic factors are that are affecting that area and what we can do. I must say that the MPPs, regardless of political party, have been cooperative, and certainly the municipal leaders have been.

In addition to that, of course, we've had individual staff, such as Peter Friedman and others, down in that area working with small business and trying to come up with some new initiatives to assist people who might have some adjustments. We've formed an interministerial committee consisting of Agriculture, Environment, Industry, Trade and Technology, Labour, Municipal Affairs, Tourism, Transportation and Treasury and Economics, which is working with the municipality in finding possible things that can be done.

I mentioned Peter Friedman. We're working at a self-help centre for the region that would be established in St Catharines, with our contribution for the first year of about—how much is it, Peter?

Mr Friedman: It's \$35,000.

Hon Mr Philip: I thought it was \$70,000 initially and then \$35,000 after that. We set up four information kiosks to assist small business across the Niagara region, and we're working with the federal government and the regional governments and Brock University to establish the Niagara Enterprise Agency, which is an agency to attract and establish new firms and help them establish a firm when they are moving into the area. We're hoping to use in that agency local business leaders and local labour leaders.

1520

Other measures taken by the provincial government, of course, are that we're moving ahead with the relocation of the Ministry of Transportation and the Ministry of Tourism and Recreation. That involves some 1,400 jobs with the Ministry of Transportation and some 400 jobs with MTR.

The winery program is one that has been very successful in the area. As a matter of fact, I had lunch with the president of Brights and very laudatory—if you want an explanation on the "laudatory"—

Mr Carr: What colour did you have, red or white?

Hon Mr Philip: I always drink red wine. There's actual research that shows that the reason the citizens of France have less heart attacks is because of the red wine they drink, even though they have a very high cholesterol count. I'd be happy to give you the research on that, because every time I have a glass of red wine I feel that I'm adding to my health, and I only drink Ontario wine.

Ms Haeck: I think I saw the same 60 Minutes report as you did, and I occasionally imbibe some of the very good Niagara red wine as well.

Hon Mr Philip: And sometimes with me, yes.

Ms Haeck: Yes, that's true. But I was wondering if the recent announcement from General Motors about the

Lumina line in Oshawa is sort of engendering some hope around the foundry at all, if there's been any hint that your ministry staff might have picked up that this might have some positive impact on St Catharines.

Hon Mr Philip: Yes.

Ms Haeck: Thank you. My second question: As you probably don't know—

Hon Mr Philip: Gerry just told me to shorten my answers.

Ms Haeck: Oh, okay. Succinctness.

Hon Mr Philip: I always do what he tells me.

Ms Haeck: As you probably don't know, I have a niece who is 15 who in fact is doing very well in school and is looking for a career. I know that your ministry is doing a few things to support, as well as my colleague here Wayne Lessard—I'm not sure where he's gone to—with the Ministry of Colleges and Universities, getting more women involved in science, which is something that is extremely important to all of us, and I'm wondering if you could take a very few minutes to at least expand on what you're doing in that area.

Hon Mr Philip: We've been very concerned, and it's a subject I've spoken about to school boards and others and of course to our cabinet minister responsible for women's issues, as well as the Minister of Colleges and Universities and the Minister of Education.

Unfortunately, the number of females who are dropping out of science and math programs is still high, and it's not because of lack of intelligence or aptitude. There's a whole series of factors that we're trying to identify.

I talked yesterday at some length about my enthusiasm for the entrepreneurship program, which I think encourages both male and female to get beyond the traditional stereotyping and mindset, if you want, and make themselves more creative.

One of the initiatives that I think is paying off and will pay off and that I'm very enthusiastic about is the Algonquin Space Camp, which is a private enterprise initiative primarily by the universities and by the aerospace industry. We're contributing only \$40,000, which isn't a lot of money, but I think we're getting a big bang for our buck with that; that's \$40,000 over two years, \$20,000 each year.

One of the things I've checked into: I've said I would like as many young women as there are young men attending that. This summer I had hoped to get up there. They have a lot of equipment which has been donated by Spar and by other companies, including a zero gravity machine that I'm dying to try before lunch, not after lunch.

Ms Haeck: As opposed to bungee jumping.

Hon Mr Philip: No, this is a lot better than bungee jumping. I think those kinds of programs are going to have an effect.

But I'm very concerned that we are not graduating nearly as many engineers. I've seen the figures per capita: about half as many engineers as Japan is per capita. There's a whole very large population of talent out there that we're missing, namely, the female talent.

Ms Haeck: I agree with you. My niece has done very well in school and she has been interested in veterinary for some time. She's doing well in science and math, and some of these things obviously can encourage young women like her to think of other things.

Hon Mr Philip: That's an issue, by the way, that the OTAB is also looking at, so it isn't as though it's just one ministry, but it is a thing that is driving us. We want the Sarah Bernsteins of this world to be found out there so that we can promote them and so forth.

Mrs Marland: How about the Christel Haecks of this world?

Hon Mr Philip: That's good.

Ms Haeck: Thank you, Margaret.

Mrs Irene Mathyssen (Middlesex): Mr Minister, I've heard some wondrous praise this morning of an initiative that was announced in connection with the field of telecommunications, and I wonder if you could expand on that. I don't have any of the details and I wonder if you could tell me about that. I also wondered if you were working in conjunction with the Ministry of Culture and Communications with our colleague the Honourable Karen Haslam in that regard.

Hon Mr Philip: I was afraid I hadn't brought it with me, because I came directly. I didn't know whether my staff had taken this with me.

Yes, it's very exciting. I've been working with Karen Haslam, as well as with other what we could call economic ministers as we develop various sector policies, and Karen and her deputy, Elaine Todres, and their staff have been able to attract some really very impressive people from private enterprise to develop this set of proposals on the telecommunications industry.

When we talk about telecommunications, we're not just talking about satellites, satellite dishes and all this stuff that you see if you're an addict to some of the science fiction sorts of programs that I am, but also about integrating the whole computer system and making businesses more competitive.

They've turned out a report which I haven't read. I've read a summary, but we only received it. It isn't as though we're in there doing it. I spoke at the meeting this morning and thanked the people, and we do have representatives from our science centres of excellence who have been part of that, but of course they're independent as well. It is not a government initiative, other than the fact that we asked them to get together and they devoted hundreds of hours of time.

They've proposed 11 specific initiatives, which of course as a government we'll be looking at, and then they will of course be proposing in a very concrete form, in what I guess would be considered cabinet submissions or cabinet proposals, certain courses of action.

The 11 specific initiatives in the report are a networks of networks, that is, increasing the connectivity of computer networks as they now exist; Ontario Online, which is a way of increasing delivery of government services and information through telecommunications; a proposal which they call the Centre for Reengineering of Work

Through Information Technology, which is a centre-of-excellence-like establishment that would do research and development and application sorts of things coming out of the telecommunications and information processing technologies;

a Telework project for Ontario, which would be the establishment of tools to encourage pilot projects in the telecommunications-empowered work; an Ontario international software repository, which would be a library and distribution mechanism for reusable software components; community economic development and support, which would be support and development of municipal and regional action plans aimed at moving communities to higher value added industries and improving the infrastructure;

an information technology architecture for the government of Ontario, which would be kind of a state-of-the-art telecommunications infrastructure designed by, I guess, an interministerial committee in cooperation with the industry; a health care network, which would connect 25,000 health practitioners to support, administrative and business aspects of the health care delivery system; an Ontario information policy which would integrate the computer and telecommunications network, and a telecommunications basic service, which would be basically to look at what levels of service we need to provide Ontarians by the year 1999 and how we start and proceed in an orderly way.

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A lot of these proposals are very expensive. You've got to look at them and see what the payoff is and do the value-for-money and weigh them against other ways of doing things and more traditional ways and so forth, but all of that is coming on. I found it encouraging when we received this this morning. It's the start of how a sector can work closely with government and with the universities and develop some very specific proposals.

Mr Daniel Waters (Muskoka-Georgian Bay): First off, I think I'd like to thank the minister and the ministry indeed, because they have proven something to me, and that is that government doesn't necessarily take years and years and do nothing. That is the IRDI proposal.

Hon Mr Philip: And we're not there to do everything either.

Mr Waters: It took five years for the feds to do what this ministry managed to do in a matter of months, so obviously this ministry is working and working well.

But I would ask the minister that, along with IRDI, which is research and development mould and die, we have a definite lack of skills in this province. As we move to the new generation in the province, I would be curious as to how this ministry is working not only with other ministries but also with industry to upgrade the skill level of the workers within this province so that we aren't constantly importing highly paid, high-skilled jobs from offshore. I was just wondering how the minister could respond to that.

Hon Mr Philip: My ministry staff are working closely with the Ministry of Skills Development. OTAB is a way of trying to bring training in a very realistic way

back into business and back into the community and out of—and I don't use it in a pejorative sense—bureaucracy. I don't think we can run training programs out of Queen's Park, or at least a lot of training programs out of Queen's Park, that are terribly relevant. I think business and the sectors have to identify what training they need.

I was impressed when I first became minister and started going around and talking to people. Indeed even as Minister of Transportation I got the same kinds of comments, that we seem to have a lot of very dedicated people out there doing a lot of things, but some of them are falling over one another, some of them are duplicating one another's programs, some of them are getting frustrated, and indeed business is finding that some of the training that's being done isn't terribly relevant to its needs. Hopefully, OTAB is being set up in a way that I think is closer to business and the community and, in a sense, run more by business and the community and will be able to do more of that.

With regard to my own ministry, of course we have a number of programs that, coming from a training background and a management background, I don't see training as something you necessarily do in a classroom. For example, our programs have been very successful, and I'll have David maybe comment on this, but some of the training programs I've received the most comment on are our ability to put a very skilled marketing person in a company, or the technical personnel program, or a skilled engineer, in which we pay I think 50% the first year and 25% the second year of the person's salary. By having that kind of person in that company, often the training to coworkers and the innovation and the creativity that is generated in that three-year contract is, to me, where training is really at. It's out there in the factories working with the people.

In addition to that, I think we have to look at the whole computer system, and we're looking at what has been done in the past. We're doing some interesting things with supercomputers, but the average company out there doesn't know how to access them, doesn't know how to use them, so we're looking at how we're going to deal with that type of system.

The \$1.1-billion Jobs Ontario Training fund will provide a one-year training credit, of course, of up to \$10,000 to an employer for each eligible employee who's been unemployed for a long period of time. At least half the training credit must be used for the new employee, but the other half of that \$10,000 can be used to train another employee or other employees. I'm finding that I'm getting quite a few inquiries, and not just from industry.

For example, I have a friend who has a private psychological counselling service, I guess it would be called, or family counselling service. He said there are some very skilled people who may have been trained as psychologists in India or in Pakistan but do not have the "little piece of paper" here that says that you're a trained psychologist or psychometrician or whatever it takes to work in Ontario, but they could be involved in a counselling setting under the supervision of a trained psychologist and psychiatrist. He was looking at ways of taking some of those people who've been unemployed, perhaps, as they've learned the

English language and so forth when they immigrated, and getting those people involved in meaningful work. So it isn't necessarily just what we consider the factory jobs that are involved; there are a whole lot of other opportunities as well in that program.

Of course, the lowering of the corporate tax rate will also encourage more companies to use some of that money for training and for other purposes as well. You could go on looking at some other things. Peter Friedman may want to add something to that.

The Chair: If I could, in the interest of time I'd like to move to Mr Phillips, unless Mr Waters wanted to get additional information from Mr Friedman.

Mr Waters: How long were you going to take?

Mr Friedman: Two or three minutes.

Mr Waters: Well, I would like the information if it's only a matter of a couple of minutes.

The Chair: Fine. Mr Friedman, please come forward.

Mr Friedman: There are basically three areas our ministry interacts with in the training area. We're not the main training players; Skills Development and OTAB and the new Jobs Ontario group are the main people.

Let me just begin with the Jobs Ontario group. Part of the Jobs Ontario function is to work with companies in trying to get them to move faster on training large numbers of people. Our own regional operations group is in partnership with the Jobs Ontario group to try to find companies that are expanding in Ontario, and there are companies that are expanding in Ontario. I can give you two examples: Linamar in Guelph and Navistar in Chatham. There we've put together the Jobs Ontario people and Navistar, which is looking at 200 jobs; the training program of Jobs Ontario would help to move that faster. So our regional operations are putting together companies with the Jobs Ontario people, who have the program operating.

In the two other programs the ministry mentioned, the technical personnel program, we've now assisted 600 companies by putting in engineers, scientists and so on to get them to become more competitive and increase their exports. Part of the rationale for that is that owners of businesses are reluctant to introduce technology when they don't have a technical person in their company, so we put a technical person in the company, and that person would then be the focal point to train people and to get equipment into that company. That program has been working extremely well, and quite a large number of these 600 companies are mostly small and medium-sized and locally owned, and they're expanding rapidly in the international markets.

One other area is the manufacturing marketing program, which is part of the manufacturing recovery program. There we've assisted with 55 marketing management people into small and medium-sized companies. Marketing is a big problem in small and medium-sized companies. Again, that marketing manager is a catalyst to train other people in the companies to be able to increase the markets and expansion and so on. Those are the three areas our ministry is directly involved in.

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Mr Phillips: OTAB is a big part of your answer. I'm curious when the legislation will be brought forward to set that up. We've all been anxiously awaiting that. Secondly, how do you see this agency operating?

Hon Mr Philip: With regard to your first question, I can't answer that question, for obvious reasons. I don't think I'm telling any secrets, but each of the cabinet committees, including my own, is preparing a list of what we consider priority items for the Legislature, and that will be dealt with at the cabinet retreat and shared, with input from the caucus as well. The specific date and that kind of thing will be discussed between our House leader and your House leader at the appropriate time. I can't give you a time frame on that.

Mr Phillips: Doesn't it seem odd? It's a big part of your industrial strategy, but we don't even have legislation yet to set it up.

Hon Mr Philip: No, because I think part of our industrial strategy is that we believe in consulting and in having programs come from the sectors and from the community, with the assistance of the government. What is going on now is the consulting process, and that's very much a part of the OTAB program. If we were to bring forward legislation before consulting, I think you'd be the first to criticize us.

Mr Phillips: No, no, the Premier said he was going to bring in the legislation in the spring.

Hon Mr Philip: Well, if the Premier said he'd bring it in in the spring, then I guess the Premier feels the consulting process will be finished in time to bring it in in the spring, and that's fine. But the Premier will consult with the cabinet, look at all the other priorities, and I'm sure we'll look at the spring, provided that the consultation suggests that's the appropriate time to do it. If the consultation is such that more time is needed or there's a suggestion that some other things need to be done first, then of course we'd pay attention to whatever is received in the consultation. I'm looking forward to hearing the results of the consultation. Other than in one or two instances, I haven't been directly involved personally, but I'm sure Dr Richard Allen would be happy to give you answers to those questions.

Mr Phillips: By the way, it was the spring of 1992 he said he'd bring it in.

Hon Mr Philip: I guess we've passed that. Let me say this, though. I would rather bring in legislation and programs with adequate consultation and proper input and not have to go around and correct them—although I don't know any legislation you bring in that you can't correct—than have inadequate consultation. That's my preference. In my 17 or 18 years around here—is it 18 years now? I was elected at an early age; I was a child prodigy in politics—I've discovered that people I admired most in politics, from a political point of view but also from a point of view of knowing what they were doing, people like Roy McMurtry, for example, always said, "I'd much rather have an adequate consultation." Sometimes he'd drive us

crazy, because we'd go through green papers, white papers, red papers and I don't know how many other consultations, but I found that through the consultation process and working closely with Roy McMurtry as Chairman of the justice committee, we usually corrected things before we brought them in and it was time well spent.

Mr Phillips: My point is this: We have been promised this OTAB for at least a year, and we are now, in my opinion, still a year away from it, because presumably the Legislature will have an opportunity to debate it as well. I'm waiting for it. It was promised in the spring. It didn't come forward. I'm just alerting you, I guess, that I think it's going to be a huge issue in these debates, and the sooner the Legislature gets at debating it, the better, because right now it's going to be the spring of 1993 before the bill is potentially passed, and here we are at the height of what Treasury calls the worst recession since the 1930s, this is the centrepiece of recovery, and we're a year away from seeing it. That's my only point.

The Chair: Mr Phillips, perhaps it might be appropriate to ask the question of whether in the current estimates there are any funds allocated for that project, and if so, how much. There is no impact in the current estimates for this ministry?

Mr Armstrong: No.

The Chair: Thank you.

Hon Mr Philip: But I appreciate the comments and I'll certainly pass on your comments to both the Premier and the Minister of Colleges and Universities, because I think you're making some valid points that should be passed on to them.

Mr Phillips: This thing is huge. It's a \$2-billion budget. The plan is to set it up as what they call a schedule 4 agency, and I have some severe questions about that, personally.

My second question is on the employee ownership evaluation program. There was a lot of concern declared by the Steelworkers that the way this thing is being established would preclude many acquisitions they might want to get themselves involved in.

Second—this wasn't the Steelworkers, but others—by having the Employee Ownership Advisory Board evaluate and recommend approval of proposals, the government would be leaving itself liable for legal redress on programs that were approved. I wonder if you could help me feel more comfortable that that's not a risk.

Hon Mr Philip: Bob Marrs is here and he may want to add to our comments, but I think it's a legitimate question. It's a question that I certainly raised when I first looked at it, but I guess I've been convinced that we have enough safeguards in it.

There can be a problem, no matter what program you introduce, no matter how many safeguards. You can't guarantee with any certainty anything in life, other than taxes and death. But I think there are a number of safeguards built into it, and you must remember that no one is forcing any group of people to get involved in this program. It is a rational, reasonable decision, and I guess one has to have some faith that working people—employees, if

you like—be they professional or non-professional, are capable of choosing people to give them the correct advice and of making the correct economic decisions for them, and they do that every day.

Mr Phillips: But that's my very point, and that's the whole point the Steelworkers were making. I agree with the Steelworkers and disagree with the government on that. That's my point.

Hon Mr Philip: There are parts of that industry and workers who do happen to agree with the government. You can pick your sources, I can pick mine, and we could go around the table. But I think the fact is that people have a right as individuals and as groups to make economic choices for themselves.

Mr Phillips: I'm agreeing with that. The legislation acts in exactly the opposite direction, and that's the point the Steelworkers made. They said, "Why have you set this group up to second-guess the workplace parties?" That's the point I'm making. I'm agreeing with you and disagreeing with your legislation.

Hon Mr Philip: Well, I disagree that it second-guesses. It's a process that in fact allows them to have the information on which to make a reasonable decision. But I'll turn the microphone over.

The Chair: Please introduce yourself.

Mr Bob Marrs: I'm Bob Marrs, manager of the employee ownership program. I guess the first point on the Steelworkers was the fact that they wanted to operate mechanically and without a board. I guess that is what you're indicating, Mr Phillips.

1550

Mr Phillips: Just to clarify, what they said was that if the workplace parties have reached a conclusion, if they want to make this investment in their workplace, why has the government set up an agency to second-guess them on that and to have the potential to veto a business arrangement they believe they're prepared to invest in? That was one.

The second thing they said was, "We think it's a mistake to have the minister sign an order in council approving this because"—to quote them, they said, "When we peeled our US lawyers off the ceiling when they heard this was the process, we are expressing grave concerns that this will limit the companies we can possibly acquire because it subjects them to countervail."

Mr Marrs: On the countervail, just quickly, we did have our legal counsel review that in terms of the cabinet approval and order in council, and it was their view that would not add any more exposure to countervail. What would determine at the end of the day would be whether the board targeted its approvals to certain sectors or certain firms, and that would be the exposure.

In terms of the board and the fact that it has, as you say, the opportunity to second-guess employees, certainly there's a strong argument to be made on that part. However, I think what the board does in terms of putting a little discipline on the system is require the employee groups to go through the exercise of developing a proposal, with

assistance that we will provide at the front end or however they wish to do it, and it will hopefully vet out those things that employees ought not to invest in, that they may be pressured into because of the community and the impact it has. They may be pushed into a rash decision that they might otherwise not make if they had the comfort of time and information and some independent advice, which the legislation provides for.

Hon Mr Philip: It may well be, knowing the dynamics of any situation like this, that not all employees will be part of the group that prepares the proposal, and therefore an objective battery of knowledge, if you want, or of assessment is useful to all the employees in that situation. I don't think the average employee would object to that; it's one extra part.

Mr Marrs: Not long ago, just as an example, we had an employee group come with its corporate finance people. They were quite interested in acquiring it and doing it tomorrow. When you got down to it—it may or may not have been a good decision for them to proceed—when you asked the corporate finance people in the divesting firm, "How does this make sense to you folks?" the equation was, "It's two million bucks for us to close it, and it's a million if we sell it to the employees." The arithmetic was pretty clear in terms of which direction they wanted.

Mr Phillips: What would prevent the public from re-course when a venture doesn't work out but this advisory board has evaluated it and recommended approval?

Mr Marrs: I don't think you escape that. Look at the Sunday Star in Etobicoke, in your riding, where people are going back after the city of Etobicoke because it invested in a golf course on land leased from Etobicoke. I don't think we're going to escape it.

Hon Mr Philip: That's not Gerry Phillips's riding; it's the other Philip. I read it too. We always get mixed up.

Mr Marrs: Oh, sorry.

Hon Mr Philip: All politicians look alike.

Mr Marrs: Anyway, on that, I think what we've tried to do in the disclosure document is what we have in Bill 150, a bit of the Ontario Securities Commission. We've taken many of the features of the Securities Act and put them in there so there will be health warnings on the front page and it will be against the law to represent that it's been blessed or otherwise approved by government in terms of the decision-making process made by employees before the formal vote.

Mr Phillips: I'd just restate the concerns I expressed in committee, because it's part of your industrial strategy, that the Ontario Federation of Labour said it wants no part of the venture capital part of it, and the Steelworkers have got severe reservations about the worker ownership part. I question the effectiveness of those two programs, that's all.

Hon Mr Philip: I would love to use that as an example when certain people get up in the House and say we always do what the unions tell us to do. As a government we take advice from a variety of sources, and sometimes we agree with some sources and sometimes we feel we have a responsibility either to the taxpayer or to others to

do other things. It's a judgement call. That's where it's at at the moment, I guess. That's all I can say; I can't add anything further to it.

Mr Phillips: Have you had much uptake on the venture capital fund now?

Hon Mr Philip: We can give you—

Mr Marrs: On the yields side or on the investment fund side?

Mr Phillips: The venture capital side.

Mr Marrs: I haven't heard any news since the committee, when there were two deals in front of the working ventures. There's been a number, three or four, of union-sponsored groups discussing with Revenue the possibility of setting up a fund but nothing concrete at this time.

Hon Mr Philip: You may be quoting me next year and say, "You were dead wrong," and I'll say yes if I was wrong, but my theory is that some of the small professional sorts of companies may be the ones that will start seeing this as an opportunity for raising funds. I'm talking about software companies and things like that rather than what I think the media may have been painting this as, the Algomas or that kind of thing. There seems to be some interest when I talk to people out there—"How does this work?" and so forth—but it takes a little while to get people from the stage where they have an inquiry to where they actually decide they're going to get together as a group then and put a proposal together.

Mr Phillips: A last, quick question: Last year at these discussions I asked if you could provide a breakdown of where you think the jobs are going to come from. Earlier today we talked about 125,000 jobs that are going to be created over—actually, it's 200,000 jobs, because we're running about minus 80 right now. I wonder, Mr Chairman, if I might request similar information on where the jobs are going to come from, what sectors the jobs are going to come from that the minister is predicting we will see over the next—I guess we're down to seven months left in the fiscal year now.

Hon Mr Philip: In the past decade entire industries, like auto, steel, petroleum, housing and so forth, have arisen out of some very modest origins. Certainly the plastics industry is expanding at a very fast rate at the moment. The telecommunications industry, the computer industry and pharmaceuticals tend to be some of the areas where we're seeing considerable interest in growth and considerable interest in investment.

Peter, did you want to add anything to that?

The Chair: I think the request was for any specific sectors and/or numbers that you can share with the committee. Can you do that, Mr Friedman?

Hon Mr Philip: Peter Sadlier-Brown might also; perhaps I shouldn't have asked Peter Friedman but rather Peter Sadlier-Brown. Peter Friedman, you can give your answer and then hopefully it will be complementary to whatever Peter Sadlier-Brown's going to say after you.

Mr Friedman: For the last 10 years in Ontario and most of North America, new jobs have come from new business starts, small businesses starting; 70% of the jobs

have come from small business and two thirds of those from new business starts.

The new business starts in Ontario have continued to go up dramatically until 1989, where we had about 130,000 new businesses started. From 1989 to 1991, the thing went down about 20%, so we're down to about 110,000 to 120,000 new businesses being started.

The only information I can tell you is that we have figures month by month on registration of new businesses. The interesting part is that from 1989 to 1991 the figures went down. Starting in May 1992, the figures started to go back up again.

You were saying "recovery." One sign of a recovery is that we're getting a gain, growth, of new business starts. If tradition for the last 10 years has been correct, new jobs will be created from those new business starts. That's the only information I can add to this picture.

The Chair: Mr Phillips, the Chair would like to advise you that you have about six minutes left, if you have another area that you'd like to explore.

1600

Mr Phillips: I have this need to see where the 125,000 net new jobs are going to come from, whatever way you look at it. I always thought you looked at it like manufacturing, resource, service, government.

Hon Mr Philip: Mr Sadlier-Brown can give it to you by sector.

Mr Sadlier-Brown: Actually, what I'm going to refer to is a document put out by the treasury in June 1992 called the Ontario Economic Report, and I will make sure the committee has a copy. In that document on page 13, they have a little pie chart which outlines the share of jobs to be created in 1992 and 1993, so it is over a two-year period by sector.

The highlights are that consumer products and services will increase 15%, the auto sector 8%, housing and real estate 30%, business services and knowledge-based industries 41%. That's the way they've done it, and that's what has been built into the thinking behind the budget forecast. I will make sure that you and the other members of the committee have this document and can look at the pie chart and read the reasoning behind it that's in their report.

Mr Ruprecht: Mr Minister, I have a question related to my previous comments on trade exhibitions and missions and how we're doing in terms of helping our industry compete abroad. The level of export sales influenced, I suppose, is one measure of success of how we're helping them. Now export sales influenced is estimated to be \$865 million for 1992-93. Apparently that's a drop of 36% compared to 1991-92. Okay?

Hon Mr Philip: I believe that the—

Mr Ruprecht: Hold on. Let me get to my question, Ed.

Hon Mr Philip: Sorry.

Mr Ruprecht: While you're looking at your figures, let me just continue with the questioning.

Hon Mr Philip: No, I have the figure here. I was going to give it you.

Mr Ruprecht: Apparently there's a drop of 36%. Can you tell us why that figure's falling after it's been increasing for the previous two years?

Hon Mr Philip: I think that Gordon will answer. But there has been actually an increase in exports. The figure I had was a 9% increase in the last year, but maybe I'm—

The Chair: Welcome back, Mr Gow.

Mr Gow: In fact that number you have is the estimate. It is \$865 million, down from the actual of 1991-92 of \$1.3 billion, roughly. That's an estimated number. We are in fact going on that basis, a little bit ahead of that estimated target in some sectors.

For instance, in the Middle East we're well ahead. We're about 400% or 500% ahead of that target. The problem we have with this estimated number is that some of these estimates are made because the gestation period for many of these projects is three to five years and you don't know when they're going to fall into the element of success.

In other words, the conclusion of the 1992-93 estimates really started in 1989, 1990 or 1991 in some of these projects. We assume they will fall into place in this period of time. So it's not an actual number that we're looking at. The \$865 million that you're looking at is the estimate. We targeted this year's plans, that that's what would come in.

We're lucky, for instance, with the Babcock and Wilcox deal in Iran. We actually expected it last year. It's coming in this year and it's something like \$330 million that in fact will go into these projects.

Mr Ruprecht: Are you telling us then that your rate is at an even keel or we're actually doing better than the previous year or previous years? Is that what you're saying?

Mr Gow: I would say as we stand today in the first bit, we are ahead of these estimated numbers, but whether we'll finish the year out ahead I still don't know yet.

Mr Ruprecht: What method are you using to make these comparisons? How do you arrive at these figures?

Mr Gow: It's almost like any sales or marketing plan where we're looking at what is estimated to be in the hopper at the conclusion on your sales and you're guesstimating how many of those contracts are going to come in this year on the international side of the business. That's really what we're looking at.

Mr Ruprecht: Okay, that's it?

The Chair: I'm afraid so.

Mr Ruprecht: One more or not?

The Chair: How short can it be?

Mr Ruprecht: This is one in terms of default of payment, Algoma Steel and other companies.

The Chair: You've got half your question out, so why don't you get the rest of it out?

Mr Ruprecht: Mr Minister, could you tell us about the guarantees your government has made in terms of loans to private sector companies? Of course we've got some examples, as you probably know. What's the probability in terms of default of some of these loans? What figures do you have now?

Hon Mr Philip: I think you may have been out of the room, Tony.

Mr Ruprecht: Oh, I'm sorry.

Hon Mr Philip: Part of that question was answered before by ODC, but Peter Tanaka can deal specifically with any one project you may want to discuss, being careful, of course, that as we talk about an individual company we have to protect the right of that company's competitive advantage or disadvantage, as the case may be.

The Chair: Welcome back, Mr Tanaka. You've been introduced. Please respond.

Mr Tanaka: Can you repeat the question again, please, Mr Ruprecht?

Mr Ruprecht: You know the government has guaranteed a number of loans to private sector companies. In terms of the default of payment, what can you tell this committee? Has this been a sort of successful policy, or should we have done something else in terms of getting into guarantees or some other factors that should have been added to these guarantees? It's a policy statement, I suppose, not necessarily a number-crunching statement.

Mr Tanaka: In terms of the major investment cases we handle through our unit within the ministry, the combination of loan guarantees, concessional loans which are interest-free or interest-subsidized, grants or repayable grants, all of those instruments have been very successful from the standpoint that I can only refer to perhaps one account where we had a loan guarantee called.

Mr Ruprecht: I'm talking about the failure rate as well. Have you got—

The Chair: Mr Ruprecht, I appreciate it—

Mr Tanaka: None.

The Chair: —but we're really going to run out of time here, or we could stay till 5:30 actually. I could ask you to maybe talk to Mr Tanaka after the estimates or—

Mr Ruprecht: Yes, I appreciate that.

Mrs Margaret Marland (Mississauga South): Minister, I realize that the government has a tremendous challenge ahead of it in dealing with not only the current \$12-billion deficit, more or less, and the projected deficits for the next two years, and that in facing this challenge you have to find ways to look for money. I know one of the ways you're looking for money to do a number of things, as we understand it, is the proposed Ontario investment fund, and I would like to know if you are going ahead with the proposed Ontario investment fund.

Hon Mr Philip: Yes.

1610

Mrs Marland: I guess in my 19 years in politics, only the last seven being at Queen's Park, I have never received such an outcry on an individual issue from my constituents as I have on the proposed Ontario investment fund. I'm wondering how you feel you can proceed in face of such a strong position of opposition from the pensioners of particularly our public sector pension funds in the province today.

I recognize that the proposal for the OIF is that it would be a voluntary involvement and the decisions were to be made by the pension fund trustees, but I'd like to know, in the face of that strong opposition—I'm sure you're getting the same letters from your constituents that I am—how you feel the government can extract that money from those funds and from the trustees who make the decisions about those funds. Are you concerned about the public, the old-age pensioners, not all of them old, who are saying to them, "No way do we want you to use our money that has been accumulated in those funds for the purposes of our pension plans, which have been guaranteed"?

Hon Mr Philip: One of the ways I would certainly hope we would get some support would be the people like you correcting the misinformation that has been spread out there by people who, simply because they didn't have the information or for whatever reason, have spread to OMERS pensioners and alarmed them unnecessarily about stuff that is simply not true. This is a voluntary program. We have all kinds of interest by the private sector in this because it sees this as a real opportunity for it to invest. I can tell you that there are people who are on our advisory committee from trust companies, from banks, and also some trade unionists, who see this as a real opportunity to invest in Ontario, and that it's a good opportunity not only to invest for the sake of their pensioners but also to invest on behalf of keeping a strong industry in this province.

I'm going to ask Sarah Bernstein to repeat perhaps some of the things she said earlier, because she outlined the various people who are on our advisory board. There's a tremendous enthusiasm out there, particularly in the private sector, for this kind of investment fund, and there's tremendous opportunity, tremendous interest also in those sectors that are having real trouble getting investment from the traditional banks.

Mrs Marland: Excuse me—

The Chair: Mr Philip, I, as the Chair, am not inviting Ms Bernstein back to repeat herself. I'm going to ask Ms Marland if she's received the answer she was looking for, and would like to continue with her question.

Mrs Marland: I appreciate anything Ms Bernstein has said and can review it in Hansard. Thank you. So I don't think—

Hon Mr Philip: She probably has a lot of new things.

Mrs Marland: I don't really need that approach to the question. It's a political question that I'm asking you, because it's a political response as a politician that I have to make, and I'm trying to make the response responsibly and honestly to inform my constituents, because I share their concern. How is the government actually going to engineer it? Is it going to be through guaranteed loans?

Hon Mr Philip: No.

Mrs Marland: So how are you going to interest them in voluntarily giving up their secure investments that exist in the fund for something that is under the control of the government and not under their control?

Hon Mr Philip: First of all, it won't be under the control of the government. I would ask Sarah perhaps to show and explain the exact structure of how we are thinking of setting up, because we're still in the consulting stages. But it will not be run by the government, nor will there be a majority of government equity in that program.

Mrs Marland: In fairness to the critic for our party, unless the critic wants the extensive answer, I'm quite happy to deal with it. I just don't want to use up my critic's time. If you want to hear that other answer—

Mr Carr: No, actually, I got it. The simple answer is that if nobody wants to invest they're not going to guarantee it; so there's going to be no money regardless.

Hon Mr Philip: We're not prepared to offer any guarantees. We think the expertise we will attract to running that fund will give enough comfort that there will be companies that will be coming forward. Indeed, from the financial community, trust companies and other people, we've had a number of people say to us: "We have difficulty understanding some of these newer high-value-added industries enough to feel comfortable in making certain types of investment. If you can develop a fund that has that kind of expertise, then we will be attracted to it." That's why they're cooperating with it. They're devoting a lot of time to the advisory committee, and they wouldn't be doing that if they thought it was just a waste of time.

Mrs Marland: Minister, I thank you for your answer, and it's not a reflection on Ms Bernstein; it's just that we're so short of time here, but I do want to express that there is a tremendous amount of concern out there about this proposal by the government. I was looking for some helpful response that I could forward to my constituents, but I will yield the floor.

Hon Mr Philip: This plan could be successful without any pension money. We're hoping some of the pensions will participate; but if they don't, we think it will be successful. When the pension funds see how successful it is, then they will be attracted into it later, maybe.

Mr Carr: Okay, thank you very much. Minister, you mentioned one of the growth areas has been pharmaceuticals. I've had some calls from the pharmaceutical companies. Smith Kline and French, the Glaxos and so on, regarding the federal drug bill that's before the federal government right now. They say a lot of the guarantees of investment will only come through if that bill comes forward.

You government, particularly the Minister of Health, Frances Lankin, has been very critical of that in some speeches. Will you be supporting the pharmaceutical companies in regard to that bill, or what is the position of the government of Ontario?

Hon Mr Philip: I think Peter Sadlier-Brown can give you a history of some of the things, since he's accompanied me to Ottawa when I've spoken with Michael Wilson about some of that.

Mr Carr: So you haven't made a decision yet?

Hon Mr Philip: No, the federal government is going ahead with intellectual properties protection, and the gov-

ernment has not made any decision to oppose that in any way.

Mr Carr: And what is the ministry recommending with regard to that? Do you support some of the pharmaceutical companies, or what? I don't need a history, with all due respect; I just want an answer. If there isn't an answer, if you haven't decided—

Hon Mr Philip: One of the things I have said to Michael Wilson is that I have had some concerns about some of the generic companies that have some products in stream, and that the cutoff, the curtain, if you want, will create some economic problems to some of those companies. So we've presented that position to Michael Wilson at the trade ministers' conference in Ottawa.

Mr Carr: Okay, I appreciate that, and I appreciate that the government might decide not to make any decision. That's fine, it was just a quick question. Thank you very much. I don't need the answer on that.

With regard to our offices: On page 42 we talk about our municipal economic development branches; the ministry works with them. I was wondering if we could have tabled, and if the answer's readily available, what number of inquiries are coming through. I'm thinking now of inquiries from outside of Ontario and internationally coming into Ontario; I'm not thinking in terms of the number of inquiries that are coming to the various municipal business developments from people moving from Mississauga to Halton. Do we have any statistics on what is happening in those offices we're working with, on inquiries coming into Ontario from other jurisdictions, whether they be other provinces or other states? Certainly, the number of inquiries is a key indicator of what type of investment will be coming. Do we have those stats? If not, maybe we could get them tabled.

Hon Mr Philip: Peter Friedman may want to—
Interjection.

The Chair: I really can't pick you up for Hansard, Mr Friedman. It would be helpful if you could tell us.

1620

Mr Friedman: I don't have the stats here, but we can certainly give the information. Do you want it from what the municipal economic development people are saying regarding total leads, or a comparison for some of the years?

Mr Carr: Both, please, the total leads and comparison and potential dollar value. I appreciate it; that would be great. If I could ask a broad question, in some of the US states, particularly New York, their offices said there's been a heavy influx of Ontario companies. Do you know what the trend is? Is it good, bad or indifferent with the inquiries?

Hon Mr Philip: That certainly is not true.

The Chair: He asked a question. He didn't make a statement, did he?

Hon Mr Philip: I mean, that information is not factual. There hasn't been a major exodus to—

Mr Carr: I talked about inquiries. The US states are saying they're getting more inquiries from them. Not an exodus; I'm talking about inquiries. What is the trend in Ontario of inquiries coming in? I appreciate that you don't know them all, but could you tell whether there is any particular area they're coming from—other provinces, other states?

Mr Friedman: I can't give you an answer today, because there are 300 municipalities out there and we don't tabulate all the leads from each municipality. We can get the information for you, but I don't have it right now.

Mr Carr: But certainly—and I'll address this to the minister—that is a key indicator of what's happening. To enable you from a policy standpoint to make the correct decisions, I would think that would be a key indicator you should be looking at. I'm surprised that the minister's staff isn't aware of that, because certainly the number of inquiries coming in will be a major factor down the road. I take it, then, that this isn't information the minister regularly wants or gets with regard to making policy decisions. Is that correct?

Hon Mr Philip: I'm more interested in who's locating here, and I have the figures of some of the major companies that are locating here in Ontario and have closed operations in the States or are opening new offices here. I'm not sure what inquiries actually give you. Inquiries in times of recession may mean a skittishness on behalf of some people somewhere else.

Mr Carr: But surely, as a minister, you'd want to know whether these offices, which are the eyes and ears of the province of Ontario, are saying, "We might have a problem; We're getting a lot of inquiries about people wanting to move," or thinking the other way: "Boy, we aren't getting any inquiries. We used to get X amount a year, and we aren't getting any now." Wouldn't that be a key indicator to you that there may be some problems that need to be addressed?

Hon Mr Philip: I think it would be an indicator describing who is moving this year as compared to last year and the year before. If you look at the figures, for example, for the northwestern United States, you'll find that in the last year seven Ontario corporations actually set up operations in northwestern New York. Six of those, as I recall off the top of my head, were distribution centres to export Ontario-manufactured goods. That seven compares to something like 22 under the last year of the previous government, so I don't see any great trend towards going to at least the northern United States.

The Chair: It really sounds like free trade's really working here. This is scary. This is quite frightening.

Mr Carr: If you could, obviously we would like to see them.

In terms of the jobs that are leaving, I am familiar with some of those that are. Could somebody given us an indication of the total jobs that have been lost in companies moving out of the province? I'm not thinking closures now; I'm thinking movements. Maybe we can compare that to the numbers coming in. You can pick out one or two companies in a broad section. Basically what I'm asking

is, are we winning or losing? Perhaps you could table those if you don't have them here, specifically what they are in terms of job losses; in other words, when Tridon leaves and they're taking 500 jobs and XYZ company comes in and is bringing in 400 jobs. Where are we at in terms of competitiveness versus other jurisdictions? Is that statistic available?

The Chair: Part of the problem, and I've discussed this with my federal counterparts, is getting a handle. The companies that are leaving, of course, you find out about, at least if they're over a certain number of employees, because there are various types of adjustment programs. In the US there are different types of adjustment programs. So it is very difficult, unless we have assisted a company in some way or are actively courting a company, to know who is coming in. There may well be a number of companies coming in and there may well be a number of companies exiting, smaller companies that you cannot have a figure on because there's no reporting system, either federally or provincially.

But we'll take a look at the question and we'll see if there's some way, between us and our federal colleagues in Ottawa, of coming up with some kind of answer to your question.

Mr Carr: I'd appreciate that, because the reverse seems to be true: When companies leave, historically they like to quietly get out, particularly if they are still going to sell back into this market.

Hon Mr Philip: But they can't do that under our present labour laws.

Mr Carr: The statistics should be there, then, if they can't do that.

Hon Mr Philip: Oh, yes. The stats are there for the exits of the major companies because we know about them. Unless we've assisted them, the entrance is harder to get a handle on.

Mr Carr: Historically, what has happened when companies come in is that, as part of the marketing tool, they love to have MITT come in to cut the ribbon when they're getting 20 new jobs. I appreciate it might not be readily available.

Hon Mr Philip: I've had so many invitations to ribbon cuttings, and believe me, I can't accept them all.

Mr Carr: That's great, then you should be able to tell the ones that are leaving and the ones that are coming in.

Hon Mr Philip: Ask the parliamentary assistants; they'll tell you they can't get around the province to do all the ribbon cuttings.

Mr Carr: Great. You tally all the ribbon cuttings, the number of jobs, and then you tally the ones that are leaving. If you could table that with the committee, we'll make the judgement of whether we're winning or losing on that. It should be possible to do.

Hon Mr Philip: The only ones we know about are the bigger ones, both coming and going, and that's the problem.

Mr Carr: But again, that's a key indicator of how well we're doing, and surely that information should be

readily available to the Minister of Industry, Trade and Technology. I appreciate you're kidding about the ribbon cutting portion of it, but quite frankly you should have that information. Is there any reason it isn't readily available?

Hon Mr Philip: I'm sorry, and pardon me for sounding like Michael Wilson, but unless you're going to set up a huge police state or a statistical state to collect massive amounts of data, at tremendous cost to the taxpayers, I don't know how you collect all that information.

Mr Carr: You said you already have it leaving, and I admit it might be by employees—

Hon Mr Philip: I said if these are ones that have a labour component or a labour adjustment program of some sort, then we would know about them. We also know about the major larger ones, such as KeepRite, that closed down in Illinois and transferred to Brantford, and others like that which we may have assisted in coming in. What I don't know about are the tremendous number of engineering firms that are setting up new offices as we go around the world and get new contracts. I don't know how many new companies are set up as a result of Babcock and Wilcox getting a major contract in Latin America or something like that, because it is subcontracting a lot of its drafting and other kinds of work to smaller companies. We just don't have those figures.

Mr Carr: Let's leave it at this: Let's see if we can get them. I would think that bottom-line totals are very important. It is good that you are highlighting the ones coming in. With the climate, of course, being able to point to those does help other companies, and I appreciate that that's your responsibility. Our responsibility is to see whether we're winning or losing, but we'll leave it at that.

Hon Mr Philip: If we can get those figures, either through the federal government or through our own records, we'll get them. But it's equally helpful to Michael Wilson; if he could prove that more companies were locating in Ontario, he'd certainly attribute that to his free trade policy, and he hasn't been able to provide us with those figures.

Mr Carr: If I were an MP, I'd be asking Michael Wilson. I'm not; I'm an MPP, so I'm asking you.

Hon Mr Philip: I understand that.

Mr Carr: With regard to the 13 offices across the province, what type of feedback are we getting on the good and bad things about the province of Ontario? Can anybody come forward and give us some idea from our 13 offices, which act as front-line delivery sources, what industry and businesses are saying about the province of Ontario? Are there any data? What is the reporting process? Again, I'm looking at it from the point of a minister making a policy decision. How are we getting feedback from these 13 offices about what we should be doing? Part of the mandate is to get the commercial intelligence to then pass along to the deputy, to the minister, to the cabinet, to make the right decisions. Minister, how are you getting the information from these offices about what we should be doing in MITT?

1630

Hon Mr Philip: With respect, Gary, I think I answered that question earlier.

Mr Carr: No, that was with regard to international. The original question was towards the international offices, New York and so on. I'm talking about our offices in the province of Ontario now. How is the feedback coming through those offices?

Hon Mr Philip: Peter, do you want to respond to that and explain the reporting mechanism?

The Chair: Welcome back, Mr Friedman.

Mr Friedman: We have two different reporting mechanisms. We have what we would call a critical system, by which we hear from companies, or situations our regional people pick up, that a company may be either doing very well or doing poorly or requires this or requires that. We have a direct input system to my office, which then immediately goes up to the minister and deputy. So we have a mechanism by which each of our regional people, as the situation comes up, would report either an issue or a particular situation with the company. Sometimes an issue relates to a generic problem a region is having or what have you. Those come in on an ad hoc basis on a daily basis; as they find out, it comes in.

In terms of the general, we have quarterly reports that come in from all our regional offices for the companies we worked with, the numbers of people we assisted with various programs and the specific companies. In other words, there's a quantitative report and a qualitative report relating highlights.

Mr Carr: Okay. From that, we should be able to determine the same questions with regard to what I asked in the international: What are the five major things people are saying they like about Ontario? From these offices, I take it we can take that information and say, "Based on these data, numbers, statistics and so on, our offices are reporting that the major problems we're facing are" one, two, three, four, five. Or the major successes, if you want, in Ontario are one, two, three, four, five. Would it be possible to get that for the committee members?

Mr Friedman: I can table our quarterly report, yes.

Mr Carr: Okay. Just for clarification, how is that broken down? Will that give us the information I'm talking about? I don't know if I've been clear, but from that can you determine that this is a problem area and this is what we're doing well, in your estimation?

Mr Friedman: I'm not sure whether, each quarter, the five major problems being reported are highlighted as one, two, three, four, five. I think what you get is anything they believe is a new significant problem that comes up. We don't highlight every month, here's what—

Mr Carr: But having looked at these reports, what would you say are the five things we should be working on? It could be WCB, it could be tax. What are you saying

the problem areas are in the province of Ontario, as reported through our reporting structure through these offices? What would you say the five problem areas are?

Mr Friedman: Oh. The problems we've been hearing recently are the Labour Relations Act, the things relating to continuing paper burden regulations, business financing or the banks being particularly difficult. Those are the main three that come to my mind that basically we seem to be hearing. Environmental issues are another problem that comes up periodically. It varies by region, but those are the three or four major areas that by and large are coming forward to us.

Mr Carr: What about with regards—

The Chair: Mr Carr, did you have a lot of additional questions in this area? Because I think, by agreement, the committee is prepared to give—

Mr Carr: Sorry. I thought I'd get through a lot faster. It may have been because my questions were too long. If there are some we're missing, could we table those as written questions to the minister? If he could answer them, that would be helpful.

Hon Mr Philip: The other thing I point out is that part of the problem I think you've hit on we hope to overcome with the Ontario investment centre, which will be able to collect more of the kind of data you want, and I think will be more coordinated. It is a problem we have to recognize.

The Chair: Thank you very much. At this point, members of the committee, although there is some time still remaining, I believe there's unanimous consent to call the votes at this time.

Mr James J. Bradley (St Catharines): What?

The Chair: I was hoping Mr Bradley had left the room, but obviously he hasn't.

Interjection.

Hon Mr Philip: I said nice things about Mr Bradley earlier, and I'm sure he will want to be quiet right now.

The Chair: Which is precisely why this hearing should come to an abrupt halt.

Seeing no objections, then I will proceed with the votes for the Ministry of Industry, Trade and Technology.

Votes 2201 to 2203, inclusive, agreed to.

The Chair: Shall the 1992-93 estimates for the Ministry of Industry, Trade and Technology be reported to the House?

Agreed to.

The Chair: I'd like to thank the minister and the staff and the committee for their participation in completing these estimates in record time. This committee stands adjourned till the House reconvenes, and the committee will be so advised, at which time we will begin the estimates of the Ministry of Community and Social Services.

The committee adjourned at 1636.

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Standing committee on estimates

Ministry of Community
and Social Services

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Mardi 6 octobre 1992

Comité permanent des budgets des dépenses

Ministère des Services
sociaux et communautaires



Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 6 October 1992

The committee met at 1610 in committee room 2.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Vice-Chair (Mrs Margaret Marland): I'd like to call to order the standing committee on estimates for the estimates of the Ministry of Community and Social Services. I invite the minister to make her opening comments.

Hon Marion Boyd (Minister of Community and Social Services): Madam Chair and members of the committee, I'm pleased to have the opportunity to appear before you to discuss the 1992-93 estimates of the Ministry of Community and Social Services.

I want to preface my remarks by saying that although we are here to talk primarily about dollars and cents—dollars and cents which are even more scarce than ever before, given our fiscal climate—we also need to develop together a real sense of the human consequences of the forced decisions we are about to make. So before we begin to discuss reconciliations between expenditures and allocations, fiscal pressures as they relate to program or service cuts, I know all of us in this room want to reflect upon the people who are served by this ministry's budget of \$9.57 billion.

Let me briefly share with you a few profiles of those whom I have met over the past few weeks:

— A mother who made the choice to keep her developmentally handicapped teenager at home, who wants and deserves the assurance of ongoing supports in order to maintain that community choice as her child moves into adulthood.

— A 14-year-old young offender who seeks stronger safeguards against abuse within the criminal justice system.

— An unemployed parent with two children who needs more time and guidance from an already overburdened welfare case worker to help her make appropriate choices, choices which will lead her to an effective training program and eventual employment.

— A three-year-old child living below the poverty line who requires the comfort and hope available at an affordable, accessible child care program.

— A 72-year-old woman, homeless and hungry, who wanders the streets hoping chance will provide a safe, clean home, a warm meal and a friendly face.

— A mother with her children, the victims of domestic violence, who are fearful of strangers and sceptical of the system as they seek shelter, protection and understanding.

— A quadriplegic with the right to autonomy who seeks more individualized and flexible funding to support the goal of independent community living.

— A young person in a sheltered workshop who wants to make use of the skills he has acquired to undertake supported employment within the community, an alternative which reflects his growing sense of self-worth and dignity.

— A crown ward whose abusive past led to the decision to remove her from her family and place her in care, who seeks the assurance that the crown, as parent, will continue to provide her with the educational opportunities most other young people take for granted from their family.

These are just some of the tens of thousands of people who are reliant on this ministry's budget. They are people who are vulnerable, who may be at risk and who in most cases have had little choice or control over their own circumstances.

Most of our clients require relatively modest supports to enable them to gain control over their own lives and become productive, self-sufficient contributors to our society.

The commitment of the Ministry of Community and Social Services is to seek a future which is safer, healthier and more equitable for our clients, their families and the community at large. This task, always difficult, becomes extremely tough as the fiscal situation allows fewer dollars but creates more needs.

Our budget choices are extremely challenging. We must build on the best of our inheritance in the social services sector of the province, a legacy of extraordinary dedication from thousands of service providers, volunteers, advocates and ministry employees, and we must carry on the best traditions of past administrations, whose policy directions in such areas as social assistance reform, multi-year planning for the developmentally handicapped, long-term care and community-based programming have provided impetus for ongoing changes in service delivery.

But, generally speaking, we cannot use a rearview mirror to guide us on the road ahead. What we created in the past at the community level and through government initiatives must now be examined in the light of present realities and future needs. In a non-defensive manner, we must acknowledge that we have created individual service delivery mechanisms which provide services within very loosely aggregated programs. These aggregated programs pose as systems but in fact are not yet systems at all, since they guarantee little consistency or equity to recipients across the province.

Not only are program requirements interpreted differently by individual agencies, but they are also applied differently by municipalities and area offices of the ministry itself. If we are to transform these programs into genuine, effective and dynamic systems which really work to the benefit of our clients and the community, there are a number of actions we must take.

We must encourage our community partners to move away from the rugged individualism which has created more than 7,000 separate transfer payment agencies towards a sense of creative interdependence and integration focused on client need rather than agency turf. If we are to succeed

in this, we as government must demonstrate our commitment by vigorously seeking interministerial coordination.

We must stop spending so much energy finding labels for our clients' conditions and then forcing them to fit the program box which fits their label. Instead, we must invest our financial and human resources in leveraging our clients' potential, with reference to their individual needs and aspirations.

We must move from expending all our energy on developing policy and process and instead commit ourselves to achieving clearly stated and appropriate outcomes for our clients.

Whether we are considering welfare, young offenders, child care programs or any other area of service, we acknowledge that we have yet to achieve systems which work. In the past we could hold programs together, creating the illusion of systematic service provision by pumping in more money to paper over the cracks. But now we face a new reality.

It would be enough if we were only dealing with a short-term fiscal blip. It would be enough if we were only dealing with five to seven years of major economic restructuring. It would be enough if we were only dealing with the abrupt end to the 11-year annual average increase in funding of 17%. It would be enough if we were only dealing with the devastation of the federal government's unilateral cap on the Canada assistance plan and the loss of \$3.3 billion in federal transfers over the last two years.

But the confluence of all these events means that the dollars allocated to the social services today likely foreshadows the level and proportion of funding available during the foreseeable future.

We all know that the programs and services provided by Community and Social Services are inextricably connected to social justice, one of the major commitments of this government. If we are to preserve that commitment to social justice, we must develop a social service system which enhances economic renewal.

Although it may not be immediately apparent, our ministry has a vital role to play in supporting this government's top priority of economic renewal. Access to training and retraining, employment programs, child care, adequate resources to ensure good nutrition and safe shelter: All these are essential to ensure the full participation of all our population in a productive, healthy and competitive economy.

So the challenge facing the Ministry of Community and Social Services, and indeed the whole government of Ontario, is not whether we can continue to provide programs and services, but how to provide a level of social services that is not only acceptable to people, but also an affordable and wise investment in our economy.

Thanks to our efforts to implement a more strategic approach to budget planning, as well as our efforts to involve our community partners more fully in a review of the issues at hand, we know that the way we are doing things now as a sector does not ensure that we can meet the challenge.

At the ministry level, we must look at how funding decisions are made and how those decisions may fail to take into account their effect at the local level. The Ministry of

Community and Social Services has evolved into a highly decentralized organization, reliant for planning and delivery of services at the regional and area offices.

Except in the case of social assistance, the practice has been for funds in a given program line to be allocated out to the regions and from the regions to the area offices, according to roughly calculated demographic factors. Both at the regional and the area level, managers have exercised a good deal of discretion in terms of the levels of service, the delivery agents and the priority of funding. Additional discretion is exercised by municipal partners, with whom we share a number of programs within their jurisdictions.

This level of decentralization was developed to ensure that the ministry was sensitive to local needs, to provide flexibility to take account of community resources and to encourage creative solutions to services gaps. The result, however, has been a marked unevenness across the province in terms of service delivery, resulting in disturbing inconsistencies and inequities which distress service providers and clients alike.

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Local emphasis on one program area has often resulted in outstanding services in that aspect of our mandate but a slow development of other program areas to which less time, energy and resources have been allocated. Fiscal dollars have been used to begin or bolster community services not fully funded through regular annualized allocations.

Again, this creativity has resulted in exciting and effective local solutions, but the problem arises when fiscal dollars are no longer available because of shrinking resources. Those same programs, on which the community and clients have come to rely, may be in danger of redirection or closure. As a ministry, we must find ways to ensure equity and consistency in our services to the people of Ontario and yet do so in a flexible enough way to respond to our diverse communities.

As indicated earlier, most of the social services provided by our ministry are delivered by community agencies to a wide range of people. These agencies, created out of identified local needs, are in most cases guided by community boards of directors that ensure that services are provided with some reference to community characteristics and priorities.

Given the fairly high level of autonomy exercised by ministry personnel at the regional and area level and the individualistic, community base of over 7,000 agencies, what has evolved over time, through a topsy-turvy responsiveness to local decisions and needs, is a patchwork of aggregated programs and services, rather than a systemic delivery of equitable services.

Let me give you an example. In the area of children's services in MCSS, we have a number of distinct program sectors, all of which have separate policy and administrative structures. We have services for young offenders which are distinct from our developmental services, our child care services or our child protection services. Because we offer services on a program basis rather than a client basis and our programs are not yet fully integrated, we may not offer a young client at risk all the services she or he needs in order to thrive. When we add to this mix the

lack of integration between ministries such as Health, Education, Tourism and Recreation, Housing, Correctional Services and MCSS, we understand why we are not always meeting the complex needs of our young clients and their families.

We are suffering, as my deputy minister described it, from a "hardening of the categories." We depend upon the dedication and heroic work of our community partners and ministry staff, but we often leave them feeling like the little Dutch boy, trying to stem the rising tide of need by holding their fingers in a crumbling dike. So what is the solution?

First, the ministry must provide more consistent and clear guidelines for service provision. Our funding decisions must be more transparent and the implementation of program changes must be monitored to ensure that issues of equity and consistency are taken into account.

We must work with our social service partners to restructure social services so they reflect a true network of interdependent agencies and organizations working together in an environment of sharing, consensus-building, problem-solving and conflict resolution.

We must encourage partnerships among service planners and providers, to articulate common values and goals and put our passion for client interests into a more rigorous framework of accountability. Such partnerships will make better use of scarce resources, unite strategic directions, put into action collective expertise and create the mechanisms necessary for the integration and coordination of services within or across service sectors.

We must listen to self-advocates. We must tear down interministerial walls which get in the way of needed reform, and we must understand that empowering people means that they are not clients we own for purposes of protecting the historical mandate of a ministry or an agency.

We will continue to reinforce:

The need for tough-minded fiscal constraint and shared responsibility to do business differently: In order to achieve the kind of cooperation and collaboration necessary for success, we have noticed that communities are increasingly willing to establish their priorities and to initiate innovative restructuring to best use scarce resources.

The need for interagency partnerships: Individual service providers will have to make the switch from planning and managing within the context of their own roles and delivery methods to more broadly defined client needs and accountability-driven outcomes and standards.

Responsiveness to community need: More local decision-making must ensure more responsive and streamlined approaches, along with better planning, coordination and management of services.

The need for new funding arrangements: Current funding arrangements do not encourage agencies to work together to enhance effectiveness or efficiency, nor are funding decisions well linked to planning. In addition, incentives and disincentives exist that are not always consistent with policy goals.

The need to reinvest in prevention and early intervention: There has been too limited an emphasis on prevention and promotion in the system up until now. These

activities must become an integral component of effective social services delivery.

As we work with our community partners to build an effective social services system, we will all experience some of the inevitable pain and difficulty that comes with choices and change. I know that each of you has already seen the painful face of these choices in your communities, but I'm equally certain that our efforts will result in a vastly improved and fiscally responsible system.

From the perspective of improving the cost-effectiveness and responsiveness of social services in this province, we have identified five areas as ministry priorities. They are: (1) to reform the social assistance system; (2) to reform child care; (3) to work with the ministries of Health and Citizenship on the redirection of long-term care, and eventually linking with long-term care, services to people with developmental disabilities; (4) to promote and improve programs that eradicate violence against women, children and the vulnerable, and (5) to integrate services for children and youth.

Our approach in all these priorities is to enhance service integrity and restructure delivery to improve the service to and impact on clients while containing and paring back historical patterns of expenditure growth.

At the same time we are deliberately shifting our emphasis from a targeting and labelling focus to an approach that is based on people's actual needs and abilities and we are developing more rigorous methods of evaluating the programs and services we offer from a client outcome perspective. We want to be sure that the dollars we're spending are being used effectively. When we are asked about the outcomes of a program we must have an answer which is clear and relevant to both the client and the community.

Keeping in mind that this work of restructuring and redesigning the social service system in Ontario will span the range of programs and services we offer, I'd like to talk about each of the priorities and bring you up to date on recent activities.

First, some words about social assistance reform.

As you know, the largest growth in expenditures in this ministry this year has been in social assistance. About two thirds of our budget this year will be spent on social assistance, but due to the cap on CAP, almost 50% of what we would normally receive for social assistance spending will not be reimbursed by the federal government. Compared to three years ago, the number of people receiving social assistance and the cost of providing that assistance has doubled. Today, more than one million people in Ontario, over 40% of them children, rely on social assistance.

Our priority is to help people avoid social assistance or get off the program and back into the labour force in a timely fashion. All of us benefit when employment replaces reliance upon welfare. A trained labour force will make this province much more successful in the global economy, and, quite frankly, given our demographic shifts, we will require the full participation of all who are able to be productive.

The government's response to plan for economic renewal through training and job creation includes the Jobs Ontario Training fund, which is designed to strengthen our capacity

to return social assistance recipients to the labour force: \$1.1 billion will be directed over the next three years to help create up to 90,000 jobs for the long-term unemployed. Up to \$10,000 will be offered as a training credit to employers for each new job they create under the program. As part of JOTF, up to 20,000 fully subsidized spaces in the not-for-profit child care sector will be created. These subsidies are an important contribution to job creation and they will enable many families to participate in the workforce.

As I announced in May, we have introduced changes to the eligibility requirements to the supports to employment program, STEP, to restrict employed people with moderate incomes from qualifying for social assistance benefits without jeopardizing social assistance for the most needy. This will enable us to realize substantial savings. At the same time, we are increasing efforts to make more social assistance recipients aware of STEP and encourage them to work gradually back into the workforce using the supports available through STEP.

The new Ontario Training and Adjustment Board, OTAB, will take responsibility for a number of employment programs funded by the ministry for people on social assistance and people with disabilities who seek employment. We are working with OTAB staff to ensure that these programs continue to serve and support the people who need them.

We are also taking steps that will not only discourage abuse of the system but also make it more efficient, more effective and more accountable through a series of measures I announced in May that are designed to help us move closer to our goals in social assistance while helping to save more than \$300 million during this fiscal year.

At the time of the announcement I talked about the overwhelming provincial case loads with which social assistance workers were struggling and our intention to hire 450 additional field staff. I have talked to income maintenance officers with case loads of 500 or more, and they are people who should be, and want to be, brokers who help people link with opportunities so the safety net doesn't become a trap. We acted, and our \$18-million investment will make a difference.

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Working with all other social assistance staff, the additional staff will allow us to improve the service we provide to social assistance recipients and applicants, helping more of them to find alternative sources of income. The new staff will help to increase the efficiency of the system, monitoring overpayment and administrative errors and ensuring that only those who are in need of support receive it, while also helping us to accomplish many of the new measures.

I am pleased to announce that as of August 1 we had hired 200 new staff members, most of them income maintenance officers, to work in eight areas of the province where growth in the number of people receiving family benefits has been greatest: Barrie, Hamilton, Kingston, London, North Bay, Ottawa, Sudbury and Toronto. Many of these new staff were redeployed from other parts of

the ministry workforce where downsizing had created redundancies.

In the sites where the new staff are employed, we are strengthening our front-door screening to help new social assistance applicants identify training or employment opportunities that they may wish to access early in their contact with the social assistance system. We can therefore more adequately concentrate on working with applicants to discover their abilities, their training needs and their employment potential.

Where appropriate, applicants are assisted with information about other programs, services, employment and training opportunities. We have also been able to direct more attention to linking social assistance applicants with other forms of income support for which they may be eligible, such as unemployment insurance and the Canada pension plan.

Similarly, some of the new employees are parental support workers, who assist sole-support parents in obtaining their full child support entitlements, aided by our improved system for recovering such support payments.

While these and other measures will help make the system more efficient and effective by directing people towards employment and other forms of income support, we continue to be committed to major social assistance reforms as the primary way of building a social assistance system that works. We have no intention of abandoning the many in Ontario who need help to get back on their feet.

While it is true that the extraordinary growth in welfare expenditures impacts on the government's debt load, it is also true that most of this money gets recycled directly back into the economy. People who receive social assistance spend that money on the necessities of life. They buy groceries from the local supermarket, children's clothing and other consumer goods from the nearest retail outlet and pay rent to their landlords, contributing to an economic cycle that creates a need for more workers. These workers pay taxes, in turn contributing to the funding of social benefits.

We will continue to strengthen social assistance as a residual system necessary to help people in need during times of financial crisis or other circumstances which prohibit traditional participation in the labour market, an important investment in all aspects of the health and wellbeing of our citizens.

We have implemented more than 50 specific actions from Back on Track, the report of the provincially appointed advisory group on new social assistance legislation, including equalizing the rate paid to sole-support parents under both GWA and FBA at the higher rate, giving boarders a special increase of \$50 per cheque issued and introducing health-related special necessities, such as diabetic supplies, for those who require them.

In addition, we are in the process of implementing a number of other initiatives, one of which includes our plan to move ahead with the creation of a council of consumers in Ontario, which will directly involve people receiving social assistance in the policy development, decision-making and service delivery process.

In June the advisory group on new social assistance legislation released its principal report, *Time for Action*, providing the government with further advice for creating new social assistance legislation for Ontario. All the advice offered on social assistance reform, from SARC to *Time for Action* to the discussions with our municipal partners at the disentanglement table, has vigorously reinforced the need to move to a single system. The process to introduce new legislation in 1993 is under way.

We have also moved ahead with another key element of social assistance reform, opportunity planning. Opportunity planning is a service philosophy designed to help social assistance recipients get back to work, and it has been an important recommendation in both the *Transitions* report and *Back on Track*.

In July I announced the selection of nine pilot projects to test various ways of introducing opportunity planning to the social assistance system. The projects were chosen on the basis of consumer involvement, community partnerships and attention to serving a wide diversity of people on social assistance.

In addition to these nine projects we will be funding a number of First Nations opportunity planning pilot projects to serve primarily native Ontarians who live in First Nations communities.

We anticipate that these pilot projects will give us some very good models for implementing opportunity planning throughout Ontario.

In addition to all we have done to date, we plan to present a renewed vision for welfare reform in 1993, a vision which reflects the challenges of an economy undergoing fundamental change.

It may appear unusual that as a government we are emphasizing the connection between economic renewal and employment initiatives while at the same time our expenditures in the employment services area are decreasing. We want to put this in the context of our government-wide initiative to refocus our resources and efforts on the Jobs Ontario Training fund. The transition included the cessation of our 1991-92 anti-recession program.

Next I'd like to address the issue of child care. As I mentioned earlier, child care reform is one of the major priorities of our government. The Ontario government considers quality child care critical to the economic and social wellbeing of society as a whole, an essential public service for children and their parents who are working or going to school.

Quality child care helps people get back to work and to stay working and quality child care has proven to be a major positive determinant of health, happiness and prosperity for our children, especially those who are economically disadvantaged. Affordable, stable, accessible child care is an absolutely vital part of economic renewal and job creation.

However, like many other social services, child care in the province has developed in an ad hoc way.

The intent of child care reform is to develop a comprehensive, cohesive, integrated system of child care, guided by four basic principles: quality, affordability, accessibility and sound management.

Earlier this year we launched an extensive public consultation process to bring together as many people with ideas as possible. Over 3,000 people attended 20 public consultation meetings held in communities throughout Ontario and we received more than 1,200 written briefs and letters from stakeholders around the province.

We will soon release a public document with the results of the consultation, but I can tell you that I was impressed by the quality of submissions and pleased that there was so much support expressed for the principles of reform that we had identified.

In undertaking consultation, I was committed to the belief that parents and the community should be partners in ensuring that children receive certain basic entitlements including consistent, competent and committed care to foster early learning opportunities. At the end of the public consultations I was pleased to find out how many people supported this vision.

The reform process will be based on the feedback that we received during the consultation from parents and other key stakeholders, as well as the direction provided by cabinet. Over time, this process will enable the development of a comprehensive range of quality, regulated, non-profit services and supports—services and supports that are well managed, appropriately funded and responsive to the range of child care needs of children and families in the province. Because of financial challenges, this process will take time, but the vision will be clear and the strategic path well-delineated.

Our next step is to begin the process of creating new child care legislation for the province for introduction in 1993.

A fundamental aspect of the new child care system we are building is a commitment to ensure community participation in local service planning. This summer we released the Ontario Child Care Management Framework, a document for ministry local offices to use when working with communities in planning child care services. In this way we can ensure that the development of future child care in the province takes place in a well-managed way and in a way that is consistent with government priorities.

Another important direction in child care is the development of non-profit, regulated, community-based child care services. We recognize the important contributions of for-profit programs in the past, in providing a service before government funds were available for child care, but we believe, as did the previous administration, that the best way to use public funds for child care today is to direct them to publicly accountable, non-profit services. Now is the time to encourage parent participation on local boards of directors to make our child care resource centres a focus for information and networking and to encourage local effort for the care and wellbeing of our children.

In keeping with that direction, last December I announced the creation of a child care conversion strategy to encourage for-profit child care services to convert to non-profit status. That strategy also includes support to non-profit centres to bolster their accountability and effectiveness.

In July we issued a document for commercial child care operators outlining the guidelines for implementation

and administration of funds which have been made available for the conversion of for-profit child care operations to non-profit services. At this point in time, approximately 50 for-profit operators have applied for consideration under the conversion plan.

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Finally, as I mentioned earlier, child care is an important element of job creation. We recognize that a shortage of affordable child care is a major barrier to training and employment. Therefore, as part of the Jobs Ontario Training fund, we announced we would be providing up to 20,000 100% fee subsidies over the next several years in support of those being trained under the program. These new subsidies provide a 40% increase from the present level of fee subsidies and represent a major expansion of regulated child care in this province, demonstrating the government's sincere commitment to supporting Ontario's families.

I'd like to switch the focus now from child care to the next priority area identified earlier in the discussion, long-term care and services for people with developmental disabilities. By redirecting long-term care and support services, we intend to address the needs of the increasing numbers of elderly and disabled people and the acutely and chronically ill who can be cared for at home. We're working in cooperation with the Ministry of Health and the Ministry of Citizenship's office for seniors' issues on this important initiative.

Last fall we released a consultation paper and announced the beginning of a province-wide consultation process which ended on March 31. Because the results of the redirection of long-term care will affect the quality of care and life for hundreds of thousands of Ontarians, we conducted a comprehensive consultation. Approximately 75,000 people participated and we received 2,200 briefs and written submissions. This consultation was perhaps the most comprehensive ever undertaken by the government of Ontario, and the volume and quality of the feedback was impressive and much appreciated. We heard from consumers and their advocates, families and care givers, workers and service providers.

Our vision is one that builds towards a coordinated and integrated system of long-term care, health and social services. The analysis has been complex and time-consuming, but there is considerable consensus on a number of directions, including the need for more supportive housing and proposed long-term care facility reforms.

Participants expressed a diversity of opinion in some directions which must be readdressed in the light of feedback. Our proposed service coordination agency model was the most controversial of our proposed directions. Specific, well-thought-out alternatives were proposed during the consultation. We were reminded that a special focus was required in planning to meet the needs of consumers with physical disabilities.

We were challenged by those representing other client groups—for example, people with developmental disabilities—as to why our reforms did not address their needs. We now realize that long-term care reform must place a greater emphasis on wellness and rehabilitation. My col-

league Frances Lankin, the Minister of Health, will be announcing our long-term care policy decisions very shortly.

In the meantime, we've moved ahead with a number of important initiatives.

In July I announced \$7.8 million for 22 supportive housing projects now being developed across the province. Response from the consultation process strongly supported the expansion of supportive housing, so we are proceeding in this area.

Similarly, we announced that a new facility funding formula for long-term care facilities will be implemented in January to match provincial funding to the actual care requirements of the 59,000 consumers living in nursing homes, charitable homes for the aged and municipal homes for the aged.

Work is now under way through two joint working groups to finalize the new funding arrangement and to create a program manual reflecting the new provincial standards for these facilities. In this work we are assisted by representatives from the Ontario Association of Non-Profit Homes and Services for Seniors, the Ontario Nursing Home Association, Concerned Friends, and the Ontario Association of Residents' Councils, as well as organized labour.

Our objective is to provide more high-quality nursing and personal care to our facility residents and to offer them a wider range of programs and services than is currently available.

With regard to people with developmental disabilities, the ministry has been implementing a multi-year plan for community living over the past six years. This plan has two goals: the establishment of a comprehensive community services system in which all people with developmental disabilities receive the support they require in their home communities, and the planned phase-out of institutional placement of people with developmental disabilities. These goals continue to guide our efforts to create community-based services for people with developmental disabilities.

As we come to the end of the first seven-year phase of the plan, we are undertaking a substantial review of programs and services, investigating ways to redirect what we do towards the needs of individuals.

For example, we are conducting a review of the special services at home program, which provides funding to assist children with physical or developmental disabilities and adults with developmental disabilities to live at home with their families. Given the demand for this program and the current funding pressures, it is essential that we work together with stakeholders to develop future directions regarding the role, eligibility and services of this individualized funding program.

We're also developing appropriate accountability mechanisms for programs and services for people with developmental disabilities to evaluate client benefits and outcomes. By reviewing the quality of our customer service, we will identify gaps in order to develop options to fill them in the future; again, in cooperation with stakeholders.

The development of the independent Advocacy Commission also prompts a review of advocacy functions in case management to ensure that roles are complementary.

Because there has been significant growth in the area of case management and service coordination over the past decade, the roles of workers who deliver these services have evolved to include trends such as mainstreaming, individualized services and consumer empowerment. Because overlapping roles may exist and gaps in service may be apparent, our overall approaches may need to be updated.

Because of fiscal restraints, it was necessary to announce this year that we will be constraining sheltered workshops by \$5 million over two years. However, of that \$5 million, \$2 million will be redirected to supported employment. This action demonstrates our commitment to moving away from segregated services for people with disabilities and towards integrated community-based supports.

While there has been much successful movement of consumers from sheltered workshops into competitive employment in the mainstream labour market, we recognize that not all people with developmental disabilities will necessarily choose to enter the labour force. We are committed to providing a range of integrated, community-based alternatives to sheltered workshops for people with disabilities. While there are currently vocational options available, we will work to develop non-vocational service options in partnership with consumers, parents, agencies, advocates and unions, which will provide respectful and meaningful learning situations for those clients requiring such supports. I want to assure you that there are no plans to phase out sheltered workshops until community-based alternatives are in place.

Over the long run, our intent is to broaden the long-term care initiatives to include the recurrent needs of the developmentally handicapped.

As to our next priority area, our commitment in the area of violence against women, children and the vulnerable continues to be very strong.

Violence is a common denominator in the lives of many of the clients we serve in MCSS, whether they approach the ministry or its agencies directly for help in that area, or indirectly, through their involvement in other programs.

Previous victimization is a factor preventing self-sufficiency for many recipients of social assistance. For many mothers with children, violence precipitated their entrance into the social assistance system. For many adults, victimization as children has so destroyed their sense of self-worth that their ability to make decisions, to care for themselves and to enter the workforce is severely impaired. Family violence, street violence and institutional violence affect the lives of the vast majority of young offenders. Institutionalized clients of all ages, either in government-operated or -funded facilities or within community-based programs, are very vulnerable to physical, emotional and sexual abuse. These very vulnerable people need our special attention to their safety needs. Perpetrators of violence also need assistance if they are to learn to relate in non-violent ways.

The ministry is fully involved in the government-wide initiatives on wife assault and sexual assault. Funding for shelters and counselling for battered women and their children are major program areas for the ministry. We are evaluating the effectiveness of these programs to ensure

that we are effecting appropriate and empowering services. Programs for male batterers are offered by both MCSS and Correctional Services. Concerns expressed about the effectiveness of these programs and their accountability to women's safety have been taken seriously by both ministries and the Ontario women's directorate, and we have begun an evaluation of these programs following a major consultation forum with interested stakeholders.

MCSS has taken the lead in establishing an integrated interministerial initiative to deal with child abuse in all its forms. Meanwhile, child protection is a specific mandate of the ministry which presents us with very significant challenges in times of budget restraint.

Finally, the ministry is committed to the implementation of safeguards against violence in our institutions, and is working with interministerial partners to put policies and procedures in place in all institutional settings to prevent violence and intervene appropriately when violence does occur.

I'd like now to discuss the final priority area I identified earlier in the discussion: integration of services for children.

The goal here is to restructure all services and programs for children so that we move from loosely connected services with gaps to an interdependent and integrated system which ensures that parents, guardians and schools each have a service system which is geographically and culturally accessible and comprehensive.

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We want to ensure that the following case study does not continue to occur: Paul is 17, has dropped out of school and disappears for days at a time. He comes home drunk and is physically abusive to his mother and younger brother. When he was in school, the attendance counsellor had recommended assessment and treatment at a children's mental health centre. It took a long time to find a centre within travelling distance that dealt with older adolescents, and then he had to wait for an assessment. He sometimes shows up to see his counsellor, but what he wants is a job.

Tom, his 13-year-old brother, has been charged and convicted of shoplifting. He sees his probation officer once every three weeks for one hour. He is failing in school and the teachers have told his mom that he is learning-disabled. He doesn't have any friends and spends most of his time in his room. The children's aid society had been involved, but it closed the case when the abusive father left the home.

Ann, their mother, is a shift worker on minimum wage. She suffers serious migraines and depression. She is an outpatient at the psychiatric clinic at the local hospital. She wants help for her family but doesn't know where to turn.

Paul and Tom are what some people call "mad, bad, sad, can't add" children. Right now, they are receiving a patchwork of uncoordinated services through different systems. They and their family need easy access to an integrated system of services and programs—a seamless system of support.

We have taken significant steps in developing integrated services for children on two fronts, with the development of ministry and interministerial initiatives.

At the interministerial level, the interministry committee on services for children and youth was established to develop provincial strategic directions that will guide government reform of policies, programs and services pertaining to children and youth. A secretariat was recently set up to support the committee and to look at ways to integrate and improve the effectiveness and efficiency of existing services and to consolidate the government reform initiatives that are already under way.

On a ministry level, we are moving ahead with a number of projects that will help us to integrate services for children and families to ensure that children benefit to the greatest extent possible from available resources.

As a first step towards reform that will create a seamless system for all children, we have developed a draft policy framework and action plan to guide future decision-making about specialized children's services funded under the Child and Family Services Act.

The framework provides short- to long-range strategies for reform with a focus on positive outcomes for clients. The purpose of the framework is to set a course for achieving an effective and efficient system of supports and services for children and families. It calls for a system with several key characteristics, including a cohesive and integrated system involving health, education, recreation and other relevant services; a simple, understandable process for gaining access; community-based planning for service with broad-based community representation; resources directed to specified groups of children and families on the basis of clearly established priorities; resources allocated to communities on an equitable basis, and accountability for the benefits provided to children and families.

The framework is currently the focus of discussions in the interministerial committee. Once all ministries are committed to the plan, the framework will be distributed to all service providers and the ministry area offices. Implementation plans will be developed with input from all stakeholders, including parents, service providers, consumers and workers.

We need to pursue a system that supports all children and families in a rational way and avoids the kind of marginalization we have experienced by isolating special needs children in separate programs within MCSS.

We consider the money we spend on our children to be the very best investment we can make in the future. By providing protection, support and services today to children at risk, we can help them grow into well-functioning, productive members of society, effectively preventing the need for further, perhaps more expensive, social services down the road.

We now know that doctors and hospitals are not the beginning and end of health care, particularly for young children. The full spectrum of health—and the future—of Ontario's children is also predicated upon a clean environment, a stable and healthy family unit, a supportive community and the knowledge and security that their parents are gainfully employed.

Without these supports in a child's life, research indicates an increasing likelihood of psychological problems which take root and continue into adulthood, manifesting

themselves in antisocial behaviour. Then we all pay as a society. That is the circle we have to break.

The level of material wellbeing, or lack of it, is the primary determinant of health in our society. We also know that it's absurd to think we can create a healthy economy in a society filled with unhealthy people. So all ministries that provide services to children and youth must coordinate their efforts to ensure that all of the factors which determine the health of young people are addressed effectively on their behalf.

You have been very patient in listening to my comments about changes, choices and reform. We have to accept that the communities where these services are delivered will find the kind of climate of review, reform and restraint that I've been talking about today very challenging, and at times painful.

Frankly, we do too. Let me tell you briefly about some of the measures we've taken within the ministry to demonstrate our commitment to restraint. Earlier, I mentioned the multi-year plan for community living for people with developmental disabilities, which continues to undergo substantial review. In addition, you should know that the ministry declared 341 staff surplus in May of this year in two facilities scheduled for closure: Muskoka Centre and North-western Regional Centre. Since that time, 79 staff have resigned, retired or been placed in other positions in those two facilities, and 113 staff are participating in retraining assignments.

As part of the corporate reorganization of the ministry this year, a variety of changes occurred. The information systems and technology division was eliminated, and all functions were amalgamated within one branch. This eliminated the need for a number of senior management positions.

Overall, in the 1992-93 year, the ministry implemented constraints of \$24 million as part of a continuous review of its business practices to ensure the most effective use of funds. All head office work locations had to trim non-salary budgets by 18%. Field and facilities were required to cut by 16%. The ministry involved people in the various ministry units in its cost-reduction exercise and implemented many of their suggestions. Expenditures on conference attendance, travel and meals were significantly reduced.

In the spring, we announced that transfer payment agencies would only receive a 0.5% to 1% increase in funding this year. The ministry's internal salary budget was reduced by 3%, or some \$17 million. I anticipate that out of constant and painful choices will come the necessary transformation I have discussed today.

In addition, within the ministry's operations division, which represents about 90% of the people who work for the ministry, we are undertaking a major organizational review with a view to restructuring, similar to that which we expect of our social service agencies. In short, we are improving things in our own backyard. Belt-tightening, creativity, service improvement and restructuring must begin "at home."

The Ministry of Community and Social Services is prepared to demonstrate leadership and set an example for the change we feel is inevitable and, frankly, desirable if

we are to develop a social services system responsive to the social and economic needs of Ontarians.

It's going to be a rocky road getting there from here, and we're all going to have to work together to prevent the choices made from overlooking the most vulnerable of those we serve as elected colleagues. I know each of you has an important role to play in reminding us of the human consequences of our decisions.

By learning to harness the wonderful spirit of cooperation and commitment that is a hallmark of the social service deliverers, I'm optimistic that this ministry and our staff and all our partners in communities across the province can meet this challenge of crisis proportions.

Since January, we have been meeting informally with community members involved in social services to discuss ways of charting the course. This exercise, which we have called "tables of diversity," has been important on two levels: It is a useful forum for the exchange of ideas and information, and it has brought together people of widely differing backgrounds and interests to address issues relevant to the ministry and their own communities.

In summary, the issues of my ministry are extremely complex, the human consequences are extraordinary and the choices daunting. In this context, I look forward to our discussions, I look forward to your questions and I look forward to your ideas. Thank you.

The Vice-Chair: Thank you, Minister. The critic for the official opposition.

Mr Gilles Bisson (Cochrane South): Can I just ask a question before we start? I can take it on the rotation; it doesn't matter.

Mr Cameron Jackson (Burlington South): We won't get a rotation today.

The Vice-Chair: We've agreed that the minister would present her opening comments and then both critics. Even at that, we won't be able to get through both critics today, so you could ask the question on rotation when we get to the next opportunity. Ms O'Neill.

Mrs Yvonne O'Neill (Ottawa-Rideau): Thank you, Madam Chairman. I'm very pleased that both the minister and the deputy have seen fit to come today to present their estimates in person. That doesn't always happen.

I think the estimates of Community and Social Services, although not every member is here today, are of interest to every single member. Each of us, whether we want to or not, cannot deny service in this ministry, and we have to interact with that ministry, likely on a weekly basis, if not more often.

1700

I would like to begin by going back to June 20, 1991, when there was a provincial and territorial ministers' meeting. At that meeting there was an agreement to adopt a national statement of values and principles to guide the development of Canada's social policy for the next decade and beyond. Madam Minister, I'd like to read some of those values and principles into the record:

"We believe that social policy in this country should promote the dignity and self-worth of each person and

reflect fairness and equality for all members of the community.

"We believe in self-sufficiency and self-determination as keys to maximizing individual potential. We must create incentives for people to work together to solve problems and make our services flexible to meet identified needs and choices.

"We value the family as the basic unit of society and the best environment in which children grow and develop. Benefits and services should be integrated and simplified.

"We should encourage flexibility and choice for clients and facilitate full participation in community life. In managing social services, we should encourage public participation by being accessible and responsive."

Madam Minister, I appreciated your remarks this afternoon, and I want to put those remarks I've made as a backdrop. I guess the one area that I feel has been lacking today is any assessment of what's gone on in the last two years, any update on the programs that have been initiated by this government, whether it's a program as new as Jobs Ontario and the takeup of that or whether there would be more indication of what's going to happen in long-term care. I felt we were still talking about principles and ideals, and I really think the Ontario public is getting very impatient. That's certainly part of my experience.

Ontarians are posing many questions. You know them as well as I. Many of these questions are based on concerns, anxiety and, in some cases, impatience. Of course, the one we've studied the most in committee in this last session was the conversion of the child care package. That program has caused an awful lot of disruption in many people's lives. We have an initiative of \$75 million. It seems to be based on a government priority; it doesn't seem to have a whole lot of other reasons, when resources are very scarce. Thence, we get the announcement kind of settled and we get into the complexity of the conversion program, and I certainly would have liked to have heard more about that today: 50 people, yes, have applied; the time lines; how it's going—that would have been quite helpful, because this issue now is close to three quarters of a year old.

The second area I'm having a lot of interest in—maybe it's because of the part of the province I'm coming from, but certainly it's all over the province—is the child abuse issue, basically the prevention of child abuse. Many of the agencies, particularly the children's aid societies in many of the communities, find that their preventive programs are the ones that have to be dropped, simply because the emergency in crisis presents itself and does take the vast majority of their funds.

As I look at the prevention of child abuse—you've asked us for suggestions or comments—I'm quite concerned, locally, about the cutbacks to the Prescott investigation, simply because that is the most horrific and, should I say, most widely deep-seated, community-based abuse situation I have experienced and run across. Maybe there are others, but that's certainly the one closest to home. I really am very emotional about it, because I just can't believe how long and deep-seated and the effects of that, and to hear that the program has been cut back and the

funds and supports to that, which were looked upon as an extremely good example of how a government can support a great difficulty within a community, has caused me consternation.

You did mention, and I'm very glad you did, that you are in the evaluation process of the treatment for abusers. That seems to be an area that is causing a great deal of concern to the abused, because part of the treatment is certainly feeling that something is being done that will help the situation not to recur. In some cases, many of the people who are abusers are also loved by the people whom they have abused and there would be a hopefulness of reconciliation.

Another area that springs from prevention of child abuse is, I feel, the supervised access centres. That's been kicked around at Queen's Park for a long, long time. I really do know, in my own community, that this is a very successful program. At this time it's municipally supported, but I think it's an area that we should look upon as part of service centres that we are, hopefully, going to maintain.

That area of child abuse is one I think all of us would feel is a priority, and that your government will get support to continue to present programs on behalf of the most vulnerable.

The questions about eliminating child poverty seem to be lacking in today's outline; maybe it's because of your limitations. I do like the integration of the child services. In doing that, I didn't hear much about child poverty. As we know, the figures haven't really changed. When people are on social assistance and have been for at least the last 10 years, I think the statistics have been very similar: that the disabled and children make up more than half of that number. Most people don't know that. A lot of people, of course, think this area is one of the areas where we have abuse of government funds. I think that once that very basic fact is known within the community, we get a very different perspective.

I'm going to invite you right this moment—as you know, you have an invitation, as I do, to join in the declaration for child poverty. I will certainly be approaching you in a written manner, but I would certainly invite you today to join with the other two parties in this province to reinforce that declaration in this province.

There are many children at risk, for very many reasons. I really do feel that the integration of services has been on the front burner for a long time at Queen's Park. The select committee on education in Ontario dealt with this issue. Many of your members and colleagues were involved in that, as was I. I don't think we've dusted those reports off enough, even in your own ministry. I think there was a lot in those select committee on education reports—as you know, there were four of them—that spilled over beyond the Ministry of Education.

At the other end of the spectrum on children and youth—you have put that into one service area, and I think that's wise—are the services for the over-21 developmentally handicapped. I think all of us have had parents either bring their children as they reach that crucial point of turning 21 or come in themselves and told us how helpless they felt.

There have been some very small efforts. I don't know how many of these young people are served; if I look just at my own community, I'd say under 500 in the province are being well served. I may be wrong, but in my own community it's less than 50, and that concerns me a lot.

1710

I want to turn now to the social assistance area. I was really quite surprised with the very quick brush you gave to the Time for Action report. It has a very, very strong direction. I think it's an outstanding document because it has so very many practical applications. Many of them we've heard before, such as the market basket approach.

However, the one that I think has been repeated from the SARC report is the difference and the way in which we should deal with social assistance, dividing it only along the lines of all except the disabled and then the disabled, because I do think there is a big difference and certainly the disabled members in the community who speak to me reinforce my theories. That, as I say, was a disappointment, that there wasn't anything more specific. I presume I'll have to wait until 1993 to see where the specifics are going on that.

In conjunction with that, I want to go to the STEP program, which I very strongly support, and in the course of the questioning I will want to go into detail on that program, because I feel there have been changes made. Some of the questions that are being asked are: "Have incentives really changed? Are the exemptions a handicap now?" Our statistics that are coming into my office are indicating that there are people on social assistance who would not be there, at least in my community, if the STEP program was as it had been before August 1. I really hope there is a very strong assessment of the initiative that was taken then.

I know there are risks involved in this program, but I also think its focus is correct. I think it also ties in with the opportunity planning, it ties in with what I read into the record as the self-worth of individuals, people making their own choices. I think the administration of the project in all the municipalities has been a great challenge, because it is very complex and it really demands that people are treated individually. That's one of the reasons I kind of like it, because I feel that it's time we took that quantity of time with an individual. We're asking them to turn around their life. There may be even a life cycle that they have been into. So I hope we will see that program continued and evaluated as closely and as efficiently and effectively as possible.

There are so many people—and again, you've put out a little wand of hope today. I'm not sure how helpful three or four sentences are going to be in the correspondence I've been saving for your answers on the long-term care reform.

Our government had done major consultation previous to 1990, as you know. We felt in fact the consultation was almost finished, but now we find that we've been waiting two years. I think many people expected your colleague Ms Lankin to make announcements throughout the summer. The one question I get from people in the field, professionals, is, "When?" I get this almost every single weekend, "When are we going to get this long-term care?"

The seniors are getting pretty impatient. They're feeling pretty fragile, because they really don't know what direction, and your hearings of course showed you that and you indicated some of the doubts that were presented to you in your remarks. I was very happy to hear that, and I'm going to be very interested to see how the rehabilitation and wellness factor for the developmentally disabled and the disabled will fit into this. Somehow or other that seemed to be overlooked in the beginning, and I think that did create a lot of doubts and concerns in people's minds.

I suppose in conjunction with this, I will want to ask some questions about attendant care, because the people who are working who are disabled are also feeling very fragile.

If I go back now to the seniors, the integrated home-maker program again has been in jeopardy in many communities across the province. Many of the social policy committees of the municipalities, as you know, were off and on on this particular initiative. For the most part, I think they have decided to maintain it even at local expense, which is a choice they've made. I tend to think it's a good choice.

I hope we can continue to encourage that kind of focus because I do think that seniors have dignity and much of that dignity can be preserved with very little support. Two or three hours or four hours a week, it amazes me how much of a lift that gives an individual in need.

You did talk some about the regulations of the nursing homes and that too is a concern. Of course any time there is neglect or an abusive situation this is highlighted, and many people have to choose to use the nursing homes and communities. They don't have other choices and we somehow have to guarantee that we have a standard of service, and that should be across the province, that will be again protective of people who are in need.

You did make, and I will use that in my correspondence, pretty strong statements about the sheltered workshops. I guess if I talk about the letters that seem to be the most heart-wrenching that I've had, they've been from the parents of people who are no longer young, who may be 35 or 40, 45 even, and their parents are 70.

They see a change of policy here which is very threatening to them, when they somehow felt they had a support system. They had a routine built into their lives and, for them, there were meaningful activities and they felt their adult children were in an environment they felt was both supportive and stimulating.

You have said you're going to provide a range of services for that group, in that age group, that may, in my humble opinion, involve continuing until people are phased out over 20 years. I don't know what your thoughts are on that, but I think we have to give those people some guarantees pretty soon. They're very tired. Many of them are isolated. They have lived in small communities and, particularly in the rural areas of the province, they've made sacrifices to plug into services in nearby communities. Now they see they may even have to give up the contact with their adult children if they have to remove them to another centre for a different kind of program. That to me is a real concern and, as I say, one I will quote you on very soon.

The other questions I have, which are not nearly as numerous but are questions that seem unanswered, are those on vocational rehabilitation, which has always been a challenge. You may have an opportunity, I hope, in the rest of these estimates to talk about that, because of course what it means is people wanting to choose the very best. Often that's not within the borders of this country.

Those are very difficult decisions and I'd like to know what your government's criteria are on those decisions and where you feel they are in the process, where the decision is being made and how. I guess I just have concerns about the criteria that are used, the opportunities that are presented and the time frames that are involved.

One of the things has lost profile in the House, but I think with today's announcement unfortunately may need more profile, and that is the credit counselling. I felt very strongly when that program was cut because again I think it falls very closely into the independence that I mentioned, the self-worth, the turning around of people's lives, getting people on to a more regular way of handling their own resources.

I know that Community and Social Services, even though it's almost \$10 billion of the provincial revenue, or expenditure is maybe what I should say—we have difficult choices to make, but the choices we have to make I feel have to be reflective of real needs and not just of government priorities that sometimes have ideological backgrounds. That's a concern I have about some of the decisions.

1720

Another area that you likely get a lot of mail about, and I do too—and again the letters are usually pretty heart-wrenching, because often they're people who have been dealing with a problem in some cases for 40 years, keeping a secret—is the adoption disclosure registry information. Some of these people are finding it very difficult now that the 1-800 line is not there. Somehow or other 1-800 has an anonymous quality to it that some of these people feel they need.

I haven't been able, of course, to satisfy them that there are other alternatives. They just somehow feel they have been shuffled aside. They really didn't have the opportunity to make the right decisions at one time in their lives and now they're not being given the supports necessary to make right decisions at this stage in their lives when they're often, some of them, turning 40 or 50.

I'd like to just quote from the speech from the throne of April 6, 1992, because I know these are the decisions that must be made:

"Governments must balance the cost of services people expect and need and what we can afford. Every dollar that goes to pay the interest on borrowed money is a dollar that cannot be spent to improve our health care system, educate our children or provide a vital service."

That is quite frightening, when we know that we're at least into \$10 billion this year. We were into almost that last year, or I think more than that last year. That cumulatively is pretty frightening, and the interest rates are now going up, which is very bad news for Ontario.

We know we're in a very difficult financial situation in Ontario. Your government has stated—and I think this was in one of the speeches from the throne—that the vulnerable people would still be a profile and that you would not be getting us out of the recession on the backs of the poor. I think I'm paraphrasing there.

That is why it was such a great shock to those of us who were watching that the social service agencies were given a 0.5% increase in social services. The other transfer agencies got 100% more—very modest, mind you, at 1%. That was very hard to explain to people.

I'm sure that you, as I, feel that many of the people who meet with us are real mission professionals. They really give their best selves to the job and many times do an awful lot of overtime, for which they know they will not be paid. So that was a very hard message.

When I look at these five areas that you have designated as your ministry priorities, I hope you will be strong at the cabinet table and I hope you will carry the message that the ministers signed in 1991, that this is what it's all about and that moneys spent here, particularly in the prevention areas, are going to have their payoffs from other ministries.

There was one real lack in the whole presentation today. Perhaps it was part of the final-cut syndrome that we were led through, but I didn't hear you mention capital projects. I know you have mentioned a few Jobs Ontario Capital projects, and I think maybe part of the statement that Mr Beer made in the House today could spring from that, but of course I have not the knowledge you do to know that. But the interministerial coordination often has to be focused on some kind of a facility in a community, particularly if we're talking about a child service or a multiservice centre or a program for the developmentally handicapped.

I really hope you will go to that table next year and suggest that a \$40-million cut in capital in community and social services is just not acceptable, particularly if the thrust is—and it does have very wide support—deinstitutionalization. There are many supporters of this form of residential care, and I certainly feel that there has to be that attention, then, to follow up. We can't be saying, "This is the process we're into, folks, but it just can't happen," because people have to be brought along if they're going to make major transitions. When we're talking about vulnerable people, and we are, in any one of these facilities that would be being built, whether it's beds for young offenders, which are certainly needed in this province, whether it is housing for the young offender who is in the community or whether it is a group home for the autistic, those things all need a residence.

I have certainly been lucky to be one of the few in the community of Ontario who got a very good centre for the abused women of our community. That was a very long time coming. It's at the top of my street, and I'm very proud of it. But I'm proud of the fact that the community saw fit and that it has met a need and that the board is very involved with many agencies within the community.

My closing remarks are going to be that if we are going to build community partnerships—and you do travelling, as do I, to parts of the province—what I find is that

the professionals who work, particularly within the municipalities, are finding that there's an awful lot of top-down instruction. Maybe it's the guidelines, maybe it's the frameworks and maybe it's just the words, but there is, and I certainly find it in my correspondence, a real feeling in many of the places: "We're not being listened to. We have experience. We have a knowledge of the community. We know our clients, and even the sense that we're being listened to is not there."

I don't know whether you know all the deliverers of your messages, but there seems to be a feeling that the grass-roots people are not as important as their experience would demand. I feel very strongly, as I have throughout my whole time in public office, that we at Queen's Park can get extremely isolated. We can neglect to use the resources that are there, often for free, so to speak.

1730

I think we have to do more than consult; I think we have to let people know that we truly listen. The example I gave of such very little notice of Time for Action is one of the areas I'd like to point to, because I do think that the authors will be disappointed when they read your remarks today that there wasn't just, "Well, we really feel this or this or this is a useful recommendation." That's the kind of demand they make on me; I'm sure they must on you. They want some commitment to reinforce the work they have put in.

Those are my closing remarks, Madam Minister. I thank you for bringing us up to date as you have today. As we follow the questions through, I will no doubt have more specific requests of you and extend the opportunity to you to respond.

Mr Jackson wants me to continue. I don't know exactly how long I've spoken; I know I've spoken longer than I wanted to. Usually he doesn't give me this kind of deference, so I'm quite suspicious. Anyway, Madam Chairman, everything is in your hands.

The Vice-Chair: Ms O'Neill, the reason you were probably being encouraged by Mr Jackson is twofold: One is that we have a vote at 10 to 6. The time is now 5:33, and obviously Mr Jackson does not wish to get started into the use of his half-hour for rebuttal. We have two things going on here. One is that our mikes are locked on, those of us who have them on, so we have a technical problem with the mike system at the moment. The ones that are on are locked on. The others that are not on are locked off.

We can do two things. We can allow Ms O'Neill a few more minutes, which is extra bonus time, or we can adjourn and make it fair and that it's half an hour each member. Tomorrow we would start the committee meeting with Mr Jackson as the critic for the third party, and tomorrow we start at 3:30.

Mrs O'Neill: Have I used my time?

The Vice-Chair: Yes, you've had 32 minutes.

Mr Bisson: Would it be opportune at this point to raise the point I wanted to at the beginning?

The Vice-Chair: No, because I think, in fairness, when we get into rotation—

Mr Bisson: It was a procedural question, not to the minister.

The Vice-Chair: I'm sorry. Yes, if it's a procedural question, by all means. I thought you had a question to the minister.

Mr Bisson: Not at this point, because it will work out well. The only thing is that I was looking at the list of all the agenda items that we can talk about.

I noticed that there's a bastion of assistant deputy ministers and different ministry people over there. I'm just wondering, is there a way we can proceed by which we can maybe deal with specific areas so that we don't have to have all the staff here and spend that money having people here at a time when they can be out in the ministry and fixing some of the problems? I guess it's a question of cost. We have a lot of people sitting over there. It's costing some money for some three days of hearings. I'm just wondering if we can block it off differently.

The Vice-Chair: This is part of the procedure with the estimates.

Mr Bisson: I realize that.

The Vice-Chair: It is a problem. We always feel the same way about having all the ministry staff here at one time, and I think it's up to the minister to decide who among her staff need to be in attendance in order to answer the questions.

If the critics want to negotiate with the minister about what particular areas they need to address in the next five and a half hours we have left, then it's up to the critics and the minister to make that decision.

Mr Bisson: I just put it out for suggestion, if they'd be interested in doing that, just as a question of costs and trying to keep—

Mrs O'Neill: I really have difficulty with the request, and I think the minister realizes we're talking about one ministry here that has this monstrous budget. The minister has this request to do interministerial stuff all the time. Certainly, within her own ministry, almost everything has some kind of interlocking component to it. I wouldn't want to say, "You know, I just want to deal with social assistance today." I just don't think I can do that, because particularly one question leads to another. This is the first opportunity we've had since 1990 to do the estimates on social service, I think—isn't it?

Interjection.

Mrs O'Neill: I guess just since I became critic then, okay. So I'd have a lot of difficulty with that, simply because the things are so interrelated.

The Vice-Chair: That's well understood, Ms O'Neill. The minister wanted to comment.

Hon Mrs Boyd: Well, we did have a proposed agenda. I really acknowledge what's been said, and I certainly am prepared to answer, outside of the proposed agenda, interlocking questions. We were suggesting that we do the ministry administration first; go to the Social Assistance Review Board, because of course the chair is here and available to assist with any questions; then go to income maintenance, then adult social services, children's services, developmental services and then capital, in that order. But I certainly would agree that I would be most prepared to answer interlocking questions or to take notice of questions and ensure that you do get the answers, because I do appreciate your sense that it is an interlocking problem. It is a very comprehensive kind of questioning that you probably want to do.

The Vice-Chair: I think too, in fairness, the problem is that the opposition party is entitled to another member being present, as is the third party. So we're in a situation where, even if we all agree today on what order and what areas to be covered, there still is a right of other members of the committee to come in and ask questions. So I guess the answer to your question is that it's too difficult to design any differently.

Mr Bisson: I respect this final submission. I respect what the opposition is saying and valid points that were made in regard to this. I'm just trying to find a way to minimize the cost.

The Vice-Chair: When you said it would be nice to see all the staff out trying to resolve the problems, I think that part of the problem, as the minister has addressed, is that although the staff would like to resolve a lot of the problems, it's a matter of how that is achieved in terms of dollars.

I'm happy to see, if all these people are ADMs, that there are so many women. Anyway, if the committee is in agreement, I think we should adjourn now and return to the House for the vote, and we will see you tomorrow. If we could start promptly at 3:30 tomorrow then we can catch up on some of our time, or immediately following routine proceedings. The committee is adjourned.

The committee adjourned at 1737.

ERRATUM

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E-11	E-150	1	57

Should read:

Hon Mr Silipo: Almost mystical, you could say.

As Mr Beer noted, we know that the references back to I believe 1975, when the share between the province and the local boards collectively was—

The Chair: Damned good ones; Tory years, as I recall.

Hon Mr Silipo: Yes. It went downhill from there, even under the Tories and continuing under the Liberals, and then moved up slightly. We're trying to at least hold it where it is until we fix the thing.

As we look at that issue, it seems to me there are a couple of useful principles to keep in mind. One of those is that there needs to be a point in time at which we say that in fact the province should be taking on the greater share of the cost of educating our young people. At the same time, I would certainly agree with the comments Mr Beer made, that that should not in fact preclude local school boards from continuing to have a role in the question of taxation, because I do agree that taxation and accountability in terms of elected bodies are also significant things that we want to continue to exist. As we look at some of those issues, that's something we will try to keep in mind.

The issue that Mrs Cunningham has talked about today and on other occasions, the link between education and

training, although I didn't talk at all or very much about it in my opening comments, is one that I also believe in very much. I think what has to happen is that the issue of training has to become more significant—and I think the government has shown its interest in that happening through the OTAB process and through other initiatives that are being developed and nurtured—but at the same time we have to also link seriously education and training in a way that moves us away from what we have seen happen historically, which is that education in the traditional concept has been left for students who for one reason or another did well academically and training was what was left over for the rest of the kids. I think there have to be significant changes made to that approach so that most, if not all, of our young people are exposed to both training and education.

In my own upbringing, I can certainly recall how I spent my days as an elementary student in a small village in Italy. It was mornings in school and afternoons at the tailor shop, and that wasn't uncommon as an experience that people went through. I'm not suggesting that's a solution, but I think those are some of the things we are doing and need to expand upon in terms of exposing more

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- ***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)
- ***Vice-Chair / Vice-Présidente:** Marland, Margaret (Mississauga South/-Sud PC)
- *Bisson, Giles (Cochrane South/-Sud ND)
Carr, Gary (Oakville South/-Sud PC)
- *Eddy, Ron (Brant-Haldimand L)
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- *Frankford, Robert (Scarborough East/-Est ND)
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Perruzza, Anthony (Downsview ND)
Ramsay, David (Timiskaming L)
Sorbara, Gregory S. (York Centre L)

Substitutions / Membres remplaçants:

- *Haeck, Christel (St Catharines-Brock ND) for Mr Ferguson
- *Hope, Randy R. (Chatham-Kent ND) for Mr Lessard
- *Morrow, Mark (Wentworth East/-Est ND) for Mr O'Connor
- *O'Neill, Yvonne (Ottawa-Rideau L) for Mr Sorbara
- *Rizzo, Tony (Oakwood ND) for Mr Perruzza

*In attendance / présents

Clerk pro tem / Greffière par intérim: Mellor, Lynn



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Standing committee on estimates

Ministry of Community
and Social Services

Comité permanent des budgets des dépenses

Ministère des Services
sociaux et communautaires

Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
Greffière par intérim: Lynn Mellor



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 7 October 1992

The committee met at 1537 in committee room 2.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Vice-Chair (Mrs Margaret Marland): I call to order the meeting of the standing committee on estimates to continue. It's the critic for the third party. Mr Jackson, would you like to proceed in your rebuttal of the minister's opening remarks?

Mr Cameron Jackson (Burlington South): Yes, I will, Madam Chair. I'd like to welcome the minister to her first estimates in her capacity as the minister. It's an opportunity for us to get a greater sense of the personality, policies and priorities, and not in that order.

I think it's very clear that in the two years this government has been responsible for this ministry it has seen the upheaval of two ministers and two deputies. I, for one, was not afraid to vocalize my support for the change to the new minister in the position. I welcome this opportunity for those three reasons. I think our dialogue will be very effective and helpful.

Although the Chair referred to the comments that I make as a rebuttal, I hope you will accept the fact that I do bring my concerns from my own personal philosophy, which my political party has allowed me to be responsible for focusing at this time, that I bring my seven years at Queen's Park as someone who's been consistently and completely involved in children's services and community and social services issues and that in fact I've also had the privilege and opportunity of working with your predecessors in their capacity as critics, the former member for Hamilton West, Dr Richard Allen, whom I consider a neighbour and a friend, and Richard Johnston, the former member for Scarborough West, with whom I have shared in fighting for various causes.

So at the outset, when I say what I'm about to say, I hope you won't take it out of context, but I was somewhat disturbed by your opening statements. I thought I had a pretty good understanding of how social democrats would approach the general issues of social justice and empowerment and I thought I had a clearer understanding of how they might react and operate when given the opportunity of governing. Clearly, Minister, I'm having great difficulty, having reflected—and I appreciate the opportunity I've had to reflect on your comments more than others, since you shared them with us yesterday. I am somewhat disturbed by some of the positions and the arguments but, perhaps most important, the philosophy underlying your comments in this discourse.

I don't wish to deal with who participated in the authorship of those 40-some-odd pages. That is not the issue. The issue is that I'm sure the minister was consulted,

and that in presenting those, they were in fact the concerns and the priorities you were setting.

At the outset, let me say that no one in this country is pleased that our federal government, Conservative, has put the cap on the Canada assistance plan, but it is abundantly clear that the philosophical approach of the federal Conservative government in matters relative to social services is to link social services to economic recovery. So you'll forgive me, but I was completely caught off guard and unaware that for the first time in this province's history we have seen social services so directly tied to economic recovery, and in so doing, we have put recipients in a far more vulnerable position, because what social democrats have articulated for years is an entirely different approach.

During the course of these estimates and in the brief time I have allotted, I wish to respond to a couple of the comments you make because I am genuinely confused at this point as to why, on the one hand, you would link social justice to economic recovery and not free and separate the two and deal more with a model which I understand traditionally social democrats took, a power based on empowerment, a model based on basic levels of dignity and subsistence, and an understanding that government was there not with a handout but with a hand up, that this was to become a springboard for additional opportunity but that there was a basic level of dignity and support that a citizen in this province, in our society, at this time, could reasonably expect.

I see that various groups have been put in some degree of jeopardy by some of the policy decisions of your government and, more important, by some of the spending decisions that are clearly contained in the estimates briefing book, which has been very helpful in terms of describing programs and clearly showing where substantive cuts to programs have been made, but also, Madam Minister, in your opening statements as we begin this estimates process.

You chose five specific areas as priorities, and very few of us would disagree with your selection of these five priority areas. But I would like to try to address them with you.

Again, as you try to tie social services to economic recovery in what I believe is somewhat out of sync for social democrats, you use economic arguments to talk about income payments and support to the poor. There's only one reference to empowerment in your entire presentation, but you make references in your presentation to the economic impact, that somehow these people who are forced, through their circumstances, to be on FBA or general welfare assistance, contribute to the local economy, pay their rent and so on and so forth.

I was struck by your reference to that, and I know you're aware of the actual circumstances of what's going on out there, when you consider, for example, that municipalities recently, in reaction to your budget cuts and in

reaction to growing numbers, have cut some of the discretionary funding which enabled emergency funding to flow to cover first and last month's rent. In Metro Toronto alone we're looking at something in the neighbourhood of \$40 million in those kinds of discretionary funding.

We're looking at a whole series of programs involving volunteer support where people are working with empowerment models—I have a list of them, and we'll go over them—where those fundings have recently been cut by your ministry, and those are specific to your decisions. But in terms of general issues decided, we have to understand that, for example, when we cut 180 over-the-counter prescriptions from the Ontario drug benefit formulary, this is having an effect on social service recipients. I'm not talking about seniors who may have pensions and income support; I'm talking about ODB recipients who are now being told they have to come up with the rather large expense of buying over-the-counter medication, drugs. Whatever the rationale, the net effect is that it's out of their pocket.

When you consider that Hydro rates will go up by 9.6%—and there's a variety of reasons, but the decision was clearly made that the consumer will pay that in this province. Nowhere have we anticipated—I mean, I could be unfair and talk about casino gambling and its impact. The minister knows these arguments and she's aware of them. But my point, simply put, is that if you're going to make economic arguments and then I will argue with you on economic arguments, how come we're making these kinds of decisions and putting the poor in this province in that kind of position?

You talk about new partnerships. You talk about looking at different ways of doing business with all the partners. The truth of the matter is that you and I basically disagree on the issues of how accessible welfare assistance can be in this province, of people who defrauded or cheated and of getting more value for our welfare dollar.

Yet I'm struck by the fact that the municipality of Hamilton wrote to your ministry with a proposal two years ago and never received the courtesy of a reply. They were delighted when you became the new minister, and they received a polite staff response from a staff member, not from you, that the ministry would look into this suggestion. Well, Madam Minister, within a couple of weeks, because of the initiatives of the city of Hamilton, they will save your ministry \$4 million on rebates from the federal government, on moneys they had difficulty collecting, legitimate overpayments. The implications for this are as high as \$40 million to \$50 million in Metro Toronto alone. Yet they couldn't get more than a simple staff response.

If you're going to use the economic recovery argument, I'm prepared to come to estimates and argue with you on that point and encourage you. But against the evidence of these kinds of experiences, I'm not sure whether you believe that but haven't caught up with it or whether you've stated it but are not 100% sure how you're going to go about doing it.

I'll give you another example. The growing number of people on food banks is assuming crisis proportions in this province. The Daily Bread Food Bank drive is the largest one-event food drive that occurs in the world. We have

over 350,000 people who will use a food bank once in a given year in the city of Toronto—one in seven children. In my own community—I'm in the middle of our food drive as the chairman of Burlington FoodShare—we're servicing 1,400 children a month.

In the midst of all this, we get municipalities writing letters—and I referenced it earlier—about cutting back discretionary funding. Specifically, in Durham region a letter was written to the Salvation Army which said, "Get ready for a whole host of increased use of your food bank."

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If food banks are going to be used as a fallback position in planning within Community and Social Services, then we should be listening to food banks on how to get creative, low-cost solutions. Yet if you talk to Gerard Kennedy at the Daily Bread Food Bank, he's been trying for months to get an audience with Community and Social Services to deal with the issue of getting a cheap Metropass for the poor in this city. If you know and understand the poor, you'll know they have a mobility problem, and poor people with low incomes end up buying the \$2 fare, the most expensive fare. They can't afford to buy strips of tickets at a time; rich people can afford to lay out that kind of money and buy strips of tickets.

Yet the TTC won't raise its fare because that will reduce ridership. We have an opportunity to increase ridership off peak hours, to help these people get to food banks so that they can get the relief without the impediment being, "We can't afford a taxi" or "We can't afford public transit to get to the food bank to feed our children." Here we have a situation where the municipalities are reacting. It's having an impact with poor people all across this province, and in particular in this city, and we can't get somebody to sit down and coordinate something as simple as helping with a Metropass.

As I've indicated, thanks to Alderman Dominic Agostino, the chairman of the health and social services committee in Hamilton, they have unlocked a formula with the federal government that will allow a \$40-million rebate, which is your portion—it will be \$10 million to the city of Toronto, so you can bet the city of Toronto's going to be interested in this right away—but there's \$40 million we could reinstate in the emergency funding program.

Again, I now understand you want to deal with economic arguments, but where am I seeing evidence within your ministry that you're responding to these suggestions and that you have the capacity to work with them quickly in order to ensure that they are felt and that they are put in place so the taxpayers get better value? That's always a wonderful argument, but it's more important that we can respond to this crisis other than by simply using the economic argument; we are all going to have to work to deal with this crisis. There are many things we can be doing.

I know I'm going to use up all my time on this issue, but it's the issue that in my view is the most crucial at this time, affecting the most number of residents in this province. I'm not going to dwell on child care conversion, because you know how I feel about that. If you were going to use the economic argument, I would expect you as a social democrat to argue differently as to why you're doing what you're doing

to private day care. But if you're going to use an economic argument, Madam Minister, then why are you putting capital dollars, that are scarce enough, into building non-profit day care centres when there are thousands of vacant spaces in this province? Your Minister of Health cannot and will not do it as long as there's vacant hospital space. Your Minister of Education—and you were that minister—cannot and will not build a school or a school classroom as long as there's vacant space. But somehow your ministry and your government are so committed to this issue that you're prepared to proceed with these dollars when you can walk down the street—there are architects all over this province designing day care facilities, and they're walking into vacant ones to get good ideas.

If you're going to use the economic argument, Madam Minister, then I plead with you, why are you not listening to what the social democrats are saying? They're saying, "Put that money into subsidies for those poor families that need that empowerment model to get out there and free themselves so that they can seek work beyond training programs and so on." We know that's not exactly what's happening out there. We're engaged in an ideological grudge match that is costing taxpayers far too much money.

When you have to make the cuts you do, cuts that are unpleasant for a minister with your background, you have to be reviewing the question of, "How can I justify those capital dollars?" But more importantly, it contradicts your opening arguments, your thesis that your social policies are tied to economic renewal.

On long-term care, let me just say I'm deeply disappointed that your references are to more consultation. I believe that under the Liberal government there was a reasonable degree of consultation. We know certain groups were not given as much primacy in those consultations, but they were balanced. You've chosen to renew the process. With pride, you talked of 75,000 people coming to meetings.

I can tell you, I went to two meetings; there were 200 people at one meeting. The question was asked, "How many people are here to discuss long-term care reform?" About 12 people put up their hand. But when it was asked how many people were there to talk about a community-based program which had been cut by the Ministry of Health, to talk about the beds cut from Halton Centennial Manor, to talk about the cutbacks in the VON support programs, everybody in the room, without exception, put up their hand.

So yes, there's been a process called consultation; you can say that. But in fact the large majority of those people were responding to the notion that we are deinstitutionalizing to a degree but do not have the support services in place.

Your Premier moved this issue out of your ministry; regretfully, I believe it was over personalities, and that's unfair. I believe long-term care should be in your ministry. I believe this government's got to get on with the business of making some decisions about the funding models and which support services will work. A lot of people are being caught in the middle, such as the Mohawk Rehabilitation Centre, which is an outpatient program, a two-ministry-based program, community-based, unique in this province, and it is about to collapse for want of half a million dollars.

We're servicing a lot of people at less cost, and we're getting nowhere. We got a one-year reprieve, but we're told now, "Don't come to us because we're not ready with our long-term care reform model."

I am deeply disappointed that we're talking in 1993 terms for legislation or a framework. That is not going to be received well by many who have been waiting, when the Minister of Health clearly indicated that we would have something, as a matter of fact, late last year.

I appreciated your reference to violence and your fight against violence. There have been some moves and improvements in this area, and I have publicly stated my support to you and your government. I think there's a limit to how much we can educate people. Even the most cynical of people will tell you that the more you advertise violence on TV as a problem, you almost in effect desensitize people to it, so there's a point at which too much advertising is not helpful. Crisis intervention centres or counselling agencies, which are all suffering under budget cuts, will tell you how they now have to juggle clients on the basis of their degree of suffering to determine how they can get in the queue to get access to counselling support services. I respect very much the minister's background and virtual lifelong dedication to this issue. I would like to offer her my encouragement and add my voice to hers, not oppose her in this area.

I'm sorry; I went through long-term care and I didn't reference my concerns with respect to the developmentally disabled community. Again you used your economic argument. One of the few areas where you dealt with raw numbers was on your cuts to developmentally disabled sheltered workshops. This disturbs me. If you were going to use an economic argument, one would suspect that income supplements, STEP, supports to employment, and sheltered workshop environments, where there is a component of either wage guarantee or subsidized wage, are the very kinds of programs that are supportable when social services are tied to economic recovery.

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But they're not, in terms of your practice. Your practice is that the pilot projects in your own city of London and in Thunder Bay were cut on April 30. The differently abled individuals who were participating in the program are now at home doing nothing. They were given skills. Three or four individuals who were working regularly at the Tim Horton shop I attend in order to wake up sufficiently to do this job every day are no longer working there, in some instances. It's clear that your government is not supporting specifically that approach when dealing with the disabled community with respect to these clients. They're not included in your long-term care reform document. All we can offer them is that in these economic times, "We're not prepared to let you work for lower wages, therefore we're not going to put you in the sheltered workshops."

I'm rather confused as to how you're approaching this issue. I know the New Democratic Party and organized labour have had some difficulty with sheltered workshops and paying people below minimum wage, but in these economic times, with an economic argument, dignity comes from having meaningful work, learning some skill and trade and the benefits of socializing in that environment.

As we take these away from hundreds and hundreds of young and middle-aged people in this province, we have to be asking ourselves why we are doing it.

You say that of the \$4 million you've cut, \$2 million will go back into enhanced opportunities—I forget the exact wording from your statement—redirected to employment, but I draw your attention to a program you've cut that achieved basically the same thing. I'm trying to determine just how you're approaching that issue, and when we have time to go through the estimates in detail we'll examine those numbers.

I'll leave my last few minutes—

The Vice-Chair: Six minutes.

Mr Jackson: Thank you, Madam Chair, six minutes left.

The integration of children's services is a concern to me. Again, under the Liberals, we started with the Children First document. I understand you have someone on staff who's responsible for that document; I hope they have an opportunity to come and speak to us. You indicate that you are only at the interministerial committee level, that you might have a draft policy framework available at this point; I would like to ask that if you do have that plan, even if it's a draft, whether you could share it with this committee, and to what extent your estimates have funds available to begin the implementation of such a plan.

But if your draft policy framework is a precursor to a year's consultation and a year's analysis and a subsequent year of drafting legislation, I must point out to you that we have some serious problems. We have some serious problems with children on waiting lists for mental health services. The last legitimate number we've seen is 10,000, with no evidence that that has been reduced. We know that children's aid societies and their deficits, which will be raised during the course of these estimates, are cutting off staff. When you cut off staff, you're cutting off access for the children who are abused. We have a growing amount of abuse and drug-dependent and substance-dependent families who are in complete dysfunctions, and those children are suffering badly. The crack cocaine impact in the GTA area is one of the most cruel things happening to families and children; it's not been reported widely, but I know all of our CASs have quantified it.

In that context, Madam Minister, school boards and your government are proceeding with junior kindergarten. Again, if your philosophy is moving towards tying your social policies and social services to economic recovery, then one has to ask why we're proceeding with one when in fact we have so many thousands of children who, because we cannot intervene at the appropriate time, are ending up in schools, filling classrooms and not learning, not capable of socializing and not capable of interacting. It just doesn't make sense. On an economic argument, one would have suspected something different.

I wanted to raise quite a few issues, which I will during the course of estimates, and I am hopeful that we will be able to divide some of the policy areas and bring forward the appropriate staff to respond to those questions.

Perhaps I spent far too much time with Richard Johnston or worked too long with Richard Allen on food banks and problems in the greater Hamilton area, but I thought I had a clear understanding of what a social democrat stood for on social issues. I am somewhat disturbed that the circumstances with your Treasurer and your Premier have forced you to make the kinds of cuts and decisions you have made.

I'm hopeful that somehow we can move social services back to an empowerment model, recognizing that ultimately the dignity of the individual in our society is the mission statement for Community and Social Services and that our policies always have to be sensitive and aware of that if we're truly to be able to call ourselves an enlightened society. I thank you for listening to my response and I'm looking forward to getting into detail with each and every one of these issues.

The Vice-Chair: You actually had two minutes left, Mr Jackson. Now we're into the normal rotation.

Mr Jackson: No, Madam Chair. The minister has 10 minutes left in rebuttal.

The Vice-Chair: That's fine. I was told the minister was using her rebuttal time in her original 50-minute opening comments. If the committee wishes the minister to have her rebuttal time, the Chair will take direction from the committee. The minister had 50 minutes in her opening statement and my understanding was that because the minister had arrived with a lengthy speech prepared, the half-hour would be ruled unnecessary and she would be allowed to proceed and not have rebuttal time. I'm simply taking the direction that the Chair of the committee gave me.

Mr Jackson: I'm sorry for not being that specific, but the standing orders say that the minister has up to two one-half-hour segments and I believe, by agreement, all parties have suggested that if the minister wishes to take 10 minutes for her rebuttal, that would be freely offered. I think we have unanimity on that.

The Vice-Chair: That's fine. Minister, would you like to proceed.

Hon Marion Boyd (Minister of Community and Social Services): Obviously I can't possibly touch in 10 minutes on all the issues that were raised by the critic from the official opposition or the critic from the third party. I hope very much that we do get an opportunity to discuss, as we go through the estimates line by line, those issues that I don't touch on, because I was quite struck by how important it is for us to deal with some of the concerns and some of the misconceptions that both those members raised.

In terms of Mrs O'Neill's comments yesterday, she also raised the issue of child care conversion and the issue of vacancies within child cares. I cannot do more than emphasize to you that we believe the investment of \$75 million over five years in transforming the provision of child care into a more systematic and managed system, which puts public funds into publicly accountable child care centres, is a major focus. We see it as an investment, definitely as part of our economic renewal prospect.

The kinds of comments the critic from the third party raised are ones he has raised all along, and he is quite

right: We simply have a fundamental disagreement about how you provide an essential public service to the people of Ontario. We believe that as we move towards a child care system that indeed does provide affordable and accessible child care to every child who requires it and every parent who decides to use it, that needs to be done in the public forum with parent contributions through boards of directors. That is the most effective way we will be able to provide that education.

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I would say, in response to the last remarks of the member for the third party, that we believe very much that junior kindergarten and child care are major preventive concepts. They are absolute focuses for us in terms of providing children with early identification of problems and early supports for them when they are in situations of risk. The evidence that has been seen from many of the research projects in the United States shows that early childhood education in safe settings is one of the major determinants of health for young children. So we see this as a preventive measure and not as something that in any way takes away from our commitment to try to improve the health and safety of children.

I hope we get a chance to talk, over the period of time, about the prevention of child abuse. The member of the official opposition claimed there were cutbacks to the Prescott investigation. I want to state very clearly that I agree with her, that as a community we have all been shocked and dismayed to find the level of abuse in that community and we indeed have not cut back on our support.

We are trying to make that part of the regular procedures of the children's aid society. We understand that the OPP office will remain available for ongoing police investigation and that the actual operation of the child abuse program through the CAS will become part of that CAS and will continue. Additional funds have been granted to that CAS for the upcoming year because there are more claims that are coming forward, so I was puzzled by her concern and I'd certainly be prepared to go into more evidence on that.

In terms of supervised access, the member expressed concern about the few programs, the 13 programs, we were able to put into effect as pilots this year. This is really the responsibility of the Attorney General's office. It is his budget that is involved in supervised access. We certainly support his efforts and will continue to help him argue for the expansion of that program. We agree with Mrs O'Neill that it is a very important program in child protection.

When we talk about the integration of children's services—both my colleagues talked about that—I think we all recognize that some fine work was done in the consultation process for Children First. The focus of the Children First document seemed to be on major government restructuring and major legislative change first. We agree that eventually this may be the route we go, but there are many things we can do in a regulatory way that help us to move farther along in that area.

We as a ministry are giving every support to our communities as they work together to try to identify barriers and gaps try to move to a more integrated position at the

local level. We will be offering them support in very tangible ways as projects come forward. We feel that's a very important thing. We need to try things out. The notion in Children First that there is one particular method by which you integrate children's services concerns us, because we have very diverse communities that have a different mix and a different combination of services. We believe we need to be trying out various models and seeing how we can achieve flexibility, and yet equity, through that kind of situation.

When we talk about social assistance reform, I'm just totally puzzled by the member of the third party's claim that we aren't concerned about empowerment. Empowerment, of course, has to underline absolutely every part of a system. We have to look at child care as part of the empowerment of social assistance, and frankly, the kind of trickle-down aspect that's so common in very traditional and conservative views of social assistance I think does not do us any good. We need to be offering opportunities, quite rightly, for training and for jobs for people, and that of course is the focus of what we are doing.

My comments about the economic effect of the allowances within the economy were made quite deliberately, because one of the things Mr Moscovitch, who headed up the advisory group, found in the consultations they had around the province was that people seemed to think the dollars that are spent on social assistance are somehow removed from the economy, and of course they aren't. They're immediately recycled and continue to support the economy. So it is not an extractive system in that sense, and we were just simply emphasizing that this is the case.

On the sheltered workshop situation, again, I know the newspapers reported that people lost jobs as a result of our deciding not to go forward with wage policy. That was entirely contrary to the instructions the sheltered workshops were given, and in fact we have assurance from both London and Thunder Bay that the policy as we provided it was that we were not going forward with wage policy, but that no client and no program would suffer as a result of that change in policy, because people had been generous in participating with that policy as it was set up by the previous government.

The person at the Tim Horton is a part of supported employment, not a sheltered workshop, of course, and we have put additional dollars into supported employment. We know there are many people who are not yet able to participate in that because of the few dollars we are able to provide at this point in time, and I can assure the member that we are working very, very hard to increase that budget. But in the realities of today, it needs to be reallocated from other less empowering services.

There's no question in my mind that the sheltered workshops have not been places of empowerment. If we listen to self-advocates and People First, they feel very strongly that in fact they have been very much exploited in that system and that it is not an empowering place. So when the member talks about our not being concerned about empowerment, I am very puzzled, because that is indeed the direction we want to go.

It's difficult in the time available to go through all the issues that were raised by both members, but one thing I certainly did want to talk about was the poverty aspect, because both of the members raised that. Of course we in this government believe in providing a better standard of living through the level of support for families. That in fact is a focus for us, and always has been in social assistance reform, to try and improve the adequacy of benefits so that parents and families can take responsibility for their own spending and spend those wisely.

The issue of food banks is a real concern to all of us. I'm surprised at the comments Mr Jackson made about Mr Kennedy, because we have talked to Mr Kennedy. He has not asked for an appointment to talk about his particular Metropass, although he was mentioning that as one of the things they had done with their dollars they got last year. If he has been seeking a visit around that, I would be happy to meet with him.

The issue is, though, that if we provide that in Metro Toronto, we will find every city that has a transportation system asking for the same thing, and that will then very quickly add up to a tremendous cost, which would have to be reallocated from someplace else. If we go along with a scheme like that, we would need to have some sense and to be working together at how we could reallocate funds to support that, rather than simply add more money into the system. We don't have more money to add into the system, and our problem is, if we reallocate, would we create a stress in another part of the system?

But certainly we are open to looking at those possibilities, particularly if they are more empowering. Mr Kennedy and Mr Jackson are both well aware that there are many people who think food banks in and of themselves as institutionalized efforts are in and of themselves disempowering to all of us.

Mr Jackson: Exactly.

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The Vice-Chair: Thank you, Minister. The official opposition.

Mr Jackson: Madam Chair, if I can, it would be helpful if we understood how much time we are going to get allocated in rotation and if we are going to go on regular rotation. Perhaps if the Chair could guide us, we would know how to organize our thoughts and our questions.

The Vice-Chair: All right. We have five hours and 20 minutes of the allocated time remaining for the review of these estimates. That divides into one hour and 46 minutes per caucus. I'm at the direction of the committee as to how it would like to rotate—in 20-minute segments? Or if the government members don't wish to have any rotation, the minister will be freed that much earlier. So what is the wish of the committee?

Mr Jackson: I have no difficulty if we want to just proceed through the votes and take questions as they arise, or if you want to go straight time allocation. I've done both, and I find recognizing people when they have questions in a certain policy area works well. Some ministers find that better, some don't.

The Vice-Chair: I think the problem with going straight through the votes is that if other members wish to come in—and speaking personally as the Vice-Chairman of the committee who does have some questions, I wouldn't want to come in after the vote had been taken and couldn't ask the questions covering that subject. I noticed that Mr Wilson has been in, and there may be other members who wish to drop in.

Mr Jackson: But you would know on what days those votes are taken. If I'm going to be given my 20 minutes, I'll raise the issues I want during the 20 minutes and we'll be skipping all over the place. But that's fine; we can go that route.

Mr Bisson: How much time again? You said five and 20.

The Vice-Chair: It's an hour and 45 each, really.

Mr Murray J. Elston (Bruce): Why don't we just start by allocating equal amounts of time as we go around? At the end of the day if there is a series of consecutive votes that require some interventions, then we could plan on it. But for today, perhaps, let's just start.

The Vice-Chair: I think it's always worked very well in estimates to rotate 20 minutes per party. So if you would like to start, Mr Eddy.

Mr Ron Eddy (Brant-Haldimand): Minister, we're pleased to have you here. I'd like to start with the statutory appropriations at the main office, ministry administration on page 9. We're looking at a cut of 38% in services. I wonder if you would explain that. We would like to know the impact of this cut. Do you have a copy of our questions on the administration, the statutory appropriations?

Hon Mrs Boyd: No.

Mr Eddy: Oh, I understood that had been forwarded to you.

Hon Mrs Boyd: Not to the best of my knowledge.

Mr Eddy: We will just take it item by item, then. Okay, we can proceed: page 9, a cut of 38% in services. We'd like your comments about the impact of this cut.

Hon Mrs Boyd: If you look at the lines across, you'll also see an increase of 128.2% in supplies and equipment. My understanding of this is that it was a realignment of the other direct operating expenses account to reflect the actual pattern of expenditures.

Apparently, the expenditures had not followed the lines in the way they were set out for some years, and this is a reallocation of those things to account for that. From now on we'll have sort of a baseline to go by.

Mr Eddy: So under supplies and equipment, then, the plus 128%, that's the explanation tied in with this other one: a realignment. Okay, thank you very much. So how do the dollars line up, then? Do they match? Is it an overall reduction?

Hon Mrs Boyd: It's an overall reduction of 3.7%.

Mr Eddy: Any comment about the effect of that reduction?

Hon Mrs Boyd: As I said in my opening comments yesterday, in the non-salary portion of ODOE, we had a

reduction throughout the ministry of between 16% and 18%, depending on the area; there was a little bit of flexibility there. In salary items, an overall reduction of 3%.

So the issue for us, of course, was doing our part in terms of the constraint exercise. So, yes, it certainly affects our availability. There's no question about that. It will make it quite a challenge, I think, for the personnel and the ministry to provide the level of service we want to provide to our transfer payment agencies and to our own facilities.

Mr Elston: At this point, Minister, could I just ask about the idea of your constraint or restraint programs with the ministry. Is it the idea of the Treasurer to take the expenditures and administration and other things back to a particular fiscal year that he thinks is sound in terms of your spending on these issues or is it just really an ad hoc grab-bag?

Hon Mrs Boyd: No, it's really much more planned than that. The notion is that each ministry must look at the way in which it provides services individually and really look at how those economies can be effected, either through legal organization or through looking at the way we do business. Are we, for example, requiring too many levels of approvals for things? Could we streamline? That is the kind of thing that we're looking at. Of course, there was a very definite constraint on the things that we spend on in administration.

Mr Elston: I was really asking the question about the actual dollar target. Is there an actual dollar figure that the minister of the treasury has asked you to comply with?

Hon Mrs Boyd: Last year we had a number of targets, actually. We had in-year spending targets that we had to meet, and then we had overall targets that were assessed depending on what the flexibility would seem to be in each ministry. Obviously, as one of the larger ministries, we were expected to do our share. We were faced with a situation where we had to make some decisions about the effect that this might have on transfer payment agencies—that had their own problems, of course, in raising their funds—and how much of it we were going to take out of our administration. We made the decision that we had to definitely share that pain; we had to lead the way and show that we were prepared to take cuts in ours. So our percentage cut was fairly high in terms of ODOE.

Mr Elston: I notice that the difference between the actual expenditure in 1990 of \$43.5 million in this head and the estimate, which was \$45.7, is roughly a \$2-million increase on just the administration of your ministry year over year, and then your actual had actually gone to \$44 million. So in actual fact, over 1990, if that was a target of reasonable expenditure, you're still well above that in expenditures for administration. So when you talk about cutting back in your administration, all you're doing is getting close to the expenditure on administration in 1990.

My suggestion to you is that while you may have said that there's been a penalty suffered with respect to administrative spending, you're really not very far away. In fact, you're over what you spent in 1990. The real difficulty is not in administration; it is in fact in the field where the real crunch has come with respect to the cost of delivering a

service. It is in that sense that I asked the question initially, "What is the target for administrative spending for your ministry?" because that is key to the people out in the field, who want to believe that you're actually sharing the pain that they are. They don't have to deal day-by-day with the request for assistance for a child, for a mother in need of assistance or a parent in need of counselling or whatever. I want you to tell me why it is that you haven't done anything to get back below the 1990 level.

1630

Hon Mrs Boyd: In fact, we have taken about \$1.6 million out in these estimates. We are doing what we can to get back. We can't do it that suddenly when we also have, as you know, some of the major—

Mr Elston: But you went up by \$2 million in one year.

Hon Mrs Boyd: The ministry did, that's true. What we're trying to do it pull that back. I can't tell you that it's going to be targeted at the 1990 level. In fact, we may make decisions that target lower than that or somewhat higher than that in the coming year because we're just in our estimates process, of course, for 1993-94. But we have made a commitment that certainly the administration of the ministry will share in the pain; it will do that. If you go through all of our lines, you'll see that in fact this does represent a reduction and that we will be looking further in our estimates for this year.

I quite agree with you. There was an increase and now we're trying to pull that back. All I can tell you is that I'm certainly committed to ensuring that we do not get administratively top-heavy on this whole process.

Mr Charles Pascal: I have just a complementary comment to the minister's response. I very much appreciate the spirit of Mr Elston's comments. We have to demonstrate in our own backyard the kind of restraint that we expect of our over 7,000 transfer payment agencies. I think it's important to note that we perceive, I perceive, our ministry's expenditure on administration to be lean to begin with—about 1.2% of the entire operation including field services. The context of the last couple of years and the kind of within-year 10% across-the-board cuts that we endured—it was also at the same time as the CPI for 1991-92 was up I think about 4%.

It's some things over which we'd like to have more control going up and at the same time we're trying to demonstrate, as I think you've proposed, that we're enduring the kind of evenhandedness in our own backyard that should be expected.

Mr Elston: Is any of the administrative decrease in expenditure associated with the transfer of long-term care or any of the associated overhead with respect to any of that?

Mr Pascal: No.

Mr Elston: None?

Hon Mrs Boyd: None.

Mr Elston: So there were no administrative charges assigned to the administration of long-term care associated with your budget.

Hon Mrs Boyd: None of this is a decrease in that area.

Mr Elston: As a result of that.

Hon Mrs Boyd: As a result of that.

Mr Elston: Okay.

Mr Eddy: The next question we had was on page 15, "Ministry Administration—Operating, Human Resources." We note that the 1991-92 estimate of \$3,775,600 is the same as the 1992-93 estimate; however, the actual for 1991-92 was much higher.

Hon Mrs Boyd: I'm sorry, I just didn't quite catch your question.

Mr Eddy: The question is, why is the actual so much higher than the estimate for 1991-92? And then it follows you have the same amount for 1992-93 estimates again; why is it back down to the same as the estimate for 1991-92? Is that not right on the first—

Hon Mrs Boyd: I don't believe so. I see a reduction, an underexpenditure, from the 1991-92 estimates to actuals of \$62,800 and some. So there was in fact a—

Mr Eddy: I'm looking at "Salaries and Wages."

Hon Mrs Boyd: The "Salaries and Wages" area?

Mr Eddy: Yes, that line, sorry.

Hon Mrs Boyd: The actual salaries, the cost of living increases that were given were not in the estimates, so of course the ministry's had to bear those. But under our managed savings strategy, we did manage to cut additional dollars out of our spending on salaries and wages. So in our managed savings aspect, we in fact cut salary dollars. We had to absorb about \$27,000 in terms of the actuals because of the increases that weren't covered, but we did manage to take about \$90,000 out.

Mr Eddy: So is it reduction in staff on that line that brings it back—

Hon Mrs Boyd: Yes, through attrition.

Mr Eddy: Thank you. Page 17 was the next question, and that one was "Communications Services." There is a reduction, a cut, there.

Hon Mrs Boyd: Yes, there's an underexpenditure from estimates to actuals of \$109,004, and there's a reduction again in estimates from one year to the other of \$156,300.

Mr Elston: Can I ask why it is that in each of the situations of supplies and equipment, they're all up in the 200% increase area? Is that all just realignment?

Hon Mrs Boyd: There are two major areas in each of these lines where you'll see realignments: one is in supplies and equipment and one is in employee benefits. In both those areas you will see that there has been a realignment that is very noticeable in terms of percentages and dollars. It is simply correcting some historical patterns that had grown up. I suppose this happens in ministries from time to time. We wanted to get ourselves so that we were dealing with realities. When we came into government, we thought we were cutting an alignment that in fact wasn't the same value we thought it was, so we had some unexpected effects in terms of some of the cuts we made in our first year. We want to realign these things so we're sure of what we're doing as we look at managed savings.

Mr Elston: It seems to me then—this may be more of a general comment for the committee at some stage—that there should be a recommendation that where there are major realignments that go with any estimate, there ought to be a notation right at the beginning of the estimates to ensure that none of this is lost. It is very curious for some of us who know how the line of supply and equipment is sometimes used. It makes sense. I think it also tells the people out in the field who are looking for any clue about something going on that there is an explanation that is valid and not something that is being put over on us.

Hon Mrs Boyd: I think that's a good suggestion. We'd be happy to actually do a summary of those two areas if that would be helpful to members of the committee.

Mr Eddy: Yes, it would. It would answer the questions that come up.

Hon Mrs Boyd: Sure. It shows up everywhere and it might just make that more orderly. We will do that for next Tuesday.

Mr Eddy: That would be very helpful, because of the questions we have.

There is an increase in transportation and communications of 43.2%. We'd request your explanation, and how much went towards child care reform.

Hon Mrs Boyd: In terms of transportation and communications? Some would have been in that area, I'm sure.

Mr Pascal: Madam Chair, this flows from the discussion we just had. This is also part of the realignment problem. I think Mr Elston's suggestion is a good one, because otherwise it would be natural for members to focus on those major aberrations. I mean, they are, and we should have provided that explanation up front.

Mr Eddy: That will be very helpful; we'll get that on Tuesday as you stated.

While there is a decrease of 54.6% in services, this would reflect any contract work. The question is, how much was contracted out and for what purposes?

Hon Mrs Boyd: In terms of communications?

Mr Eddy: Yes.

Hon Mrs Boyd: I'd be happy to get you some details on that. As you know, one of the things we are attempting to do is limit the amount of contracting out that happens, to try to build the expertise within the ministry. We can certainly get you some details within communication services as to what was on a contract basis.

Mr Pascal: In addition to being able to provide that, this is also part of the realignment of past practice. I'll include that in the note.

Mr Eddy: Thank you. Page 21, the same thing, an increase of 125.7% in supplies and equipment. All other lines in this area experience a 0.0% increase or a decrease.

Hon Mrs Boyd: That's right, it is very much the same thing. I should tell you that was the first question I asked as well, because it looked very puzzling to me. It really is a matter of trying to put this into some kind of order so that we know where we are and so forth.

1640

Mr Eddy: The next one is on income maintenance, but I've been asked if we could leave that till Tuesday, when our critic is back.

Page 33, French-language services: The French-language services project ends, according to the changes on page 33. We'd like to know, have all the goals of this project been achieved and has there been an assessment done as a result of the project?

Hon Mrs Boyd: I think it's fair to say that there are areas of the province where consumers still feel they're not getting the services they want. In terms of the estimates, this was the end of the period for French-language services, and each ministry was required to incorporate into the ministry the services that would go on to provide that service both internally to the ministry and to consumers. Deputy, do you want to comment on the particular evaluation of that project? I know we have had a number of meetings to talk about where the gaps still arise.

Mr Pascal: Simply put, the evaluation has shown successful progress. It's also delineated clearly where there are some service gaps. The conclusion of the project, of course, suggests that at this point in time we are now internalizing the French-language services process through the ministry and its operations. I would be pleased to provide for the member a more specific summary of the evaluation on Tuesday, if he so desires.

Mr Eddy: That would be helpful, thank you. This department is also responsible for the facilitation of implementation and coordination of services in the community planning process with agencies, municipalities and other organizations. Can the minister explain why participants in two large initiatives, which are both community-based, that is, the Ontario Association for Community Living and the child care community, feel they are not being listened to by the ministry? We understand the Ontario Association for Community Living has in fact pulled out of the multi-year plan.

Hon Mrs Boyd: I'm afraid that is not correct. In fact, we have probably entered into one of the more fruitful periods of work, together with the associations as well as with other partners, in terms of the multi-year plan.

The association did refuse to participate in two forums that were held because it was afraid those would become too contentious; in fact, they were afraid they would affect their ability to manage within communities.

As an alternative, what we are doing now is sitting at a table with representatives of those groups, the unions involved—People First, L'Arche, the advocacy centre and so on, the adult protective service workers, a whole range of people—and starting to talk about the implementation difficulties we have with the multi-year plan, in that kind of diverse group. We believe that what is coming about is a better sense of where we all agree we need to make improvements. We all agree that there needs to be improvements, a set of common goals, and we'll continue to work at that.

My own sense of it is that we're building the consultation in a very different but very real way. We have

decided, with that group, not to go forward with any more of the community forums at present. They did serve their purpose but they aren't the kind of forum that really gives rise to some decision-making and common action. But we are moving forward on the multi-year plan in conjunction with all those partners.

Mr Eddy: As this department approves subsidies and payments to individuals and agencies in accordance with the legislation administered, could we get a list of the agencies receiving subsidies and payments?

Hon Mrs Boyd: You want a list of all transfer payment agencies?

Mr Eddy: Yes.

Hon Mrs Boyd: All 7,000?

Mr Eddy: Can they be grouped?

Mr Pascal: Are you referring to individual agencies, or associations that represent agencies through named grants?

Mr Eddy: Individuals and agencies. You say there are over 7,000?

Mr Pascal: Individuals is probably not doable, but you really do want a list of these 7,200 transfer payment agencies? We just want to clarify that.

Mr Elston: What you could probably do, particularly where it comes with individuals, is if the legislation were named and the number of the people in receipt of payments under that, and if there were sort of umbrella granting, clustering. That would be more reasonable than asking for a printout of 7,200 people.

Hon Mrs Boyd: I'm not sure that isn't here in terms of each line of the budget. Certainly in terms of social assistance, we have the numbers who are receiving and what their categories are in here. We do talk about the number of child care services, the number of supported housing beds and so on.

Mr Eddy: We'll take a look at that.

Hon Mrs Boyd: We're happy to do what we can to give you the information you want, but I think you will find that the detail under the particular areas gives you that. Of course, we can't name individuals who are in receipt of social assistance. When we talk about 7,000 agencies, some of those might be individual group home owners and that sort of thing, and that could give rise to some difficulty for us. We can certainly group them and give you that information, but I think it is summarized under each budget line.

The Vice-Chair: For today, would you like to go to half-hour rotation, let Mr Eddy continue till 5 and then do the final half-hour each? It's just that we were accommodating you while you were out of the room.

Mr Gilles Bisson (Cochrane South): May I make a suggestion? There's going to be about an hour and 20 minutes left by the time we're finished on Tuesday. We'd be prepared to give our time today for an agreement that we could finish Tuesday.

Mr Jackson: I think we understand that we were going to discuss this one. We're not using up valuable time

to discuss ordering of our business. I will proceed with my questions now, Madam Chair.

The Vice-Chair: Okay.

Mr Jackson: Mr Eddy introduced some questions, and I look forward to receiving some of the detailed responses. In the estimates as prepared by your ministry, I can identify your operating total at \$9.487 billion, I can identify your capital total at \$85 billion, but I do not see nor is it clear to me where your salaries and wages totals are. That's important to me, as the Treasurer's directives deal with isolating that from your other expenditures. Perhaps you can let me know where those numbers sit and where I can get that.

Hon Mrs Boyd: If you look at page 4 in your estimates briefing book—

Mr Jackson: The large version?

Hon Mrs Boyd: Yes, the long version, page 4, gives that totally.

Mr Jackson: What figure is that?

Hon Mrs Boyd: In the total?

Mr Jackson: Yes, help me out here.

Hon Mrs Boyd: Salaries and wages, \$443,451,257.

Mr Jackson: Are we in the process of determining what that figure was in the previous estimates?

Hon Mrs Boyd: In terms of the total of the realignment, the realignments we were talking about with Mr Eddy were in employee benefits and supplies and equipment and so on, but if you want it done for salary and wages as well, it is 4.7% of the total ministry budget.

Mr Jackson: I understand that. Those are your estimates. I want to know what Ms Akande's estimates showed and what Mr Beer's estimates showed. That's what I'm looking for, not right at this moment—

Hon Mrs Boyd: The differential from 1990-91. We can certainly provide that for you.

Mr Jackson: I would appreciate getting those figures, if I can. The copy of the treasury board document from your meeting on March 31: Those figures all conform in the estimates, and I'll be referencing some of the cuts that were noted in that treasury board meeting.

If I can leave numbers for a moment and move to an issue, I'd like to raise the issue of children's aid societies. Is the ministry staff person responsible for children's aid society funding here? If so, could I invite them to the chair?

1650

Hon Mrs Boyd: The assistant deputy minister for operations is Sandra Lang.

The Vice-Chair: Welcome, Ms Lang. If you would identify yourself at the microphone, we'd appreciate it.

Ms Sandra Lang: Thank you, Madam Chair. My name is Sandy Lang. I'm the assistant deputy minister, operations.

Mr Jackson: Welcome. Thank you very much. I have a couple of questions with respect to the exceptional circumstance review and where we're sitting with CAS deficits. I wondered if you could share with the committee

how current is your data on CAS deficits, and can we get a list of those?

Ms Lang: We keep quarterly statistics on CAS budgets, so we would have up to—I don't think we have a document at the moment, but we would by the middle of October—the end of September. We could certainly give you till the end of June, within the course of—

Mr Jackson: Of 1992?

Ms Lang: Yes.

Mr Jackson: Could we request that through you to the deputy? Could we get those? As I understand the funding mechanism for exceptional circumstance review, there is a gap or a lag here because the CASs are on annualized budgets—you're on our Queen's Park year, which is April to March—and that there is the exceptional circumstance review funding for 1991 which has all been approved and transferred. Is that correct?

Ms Lang: That's correct.

Mr Jackson: Could we get a list of those transfers, because are not some of those in these estimates because of the lag?

Ms Lang: Yes, they would be in these estimates.

Mr Jackson: So it would be helpful if you could identify for us the amount of transfer in these estimates earmarked for 1991 and then we would have a more accurate look at how much the ministry will have budgeted for the 1992 ECR applications, which I'm sure are coming in. A lot of them are coming in.

Ms Lang: We are keeping current on the growth in the CAS situation, yes, so we would have some appreciation now of the extent to which we are seeing growth in children in care, which is the large cost associated with exceptional circumstances.

Mr Jackson: Ms Lang, this is a difficult area to budget in because of the fact that you're anticipating growth in trying to respond to it after budgets have been approved at the municipal level where they pay their proportion. One of the criticisms, not of the government but of the process, is that this is a lengthy process because you have to get approvals from the local municipality to ensure they will contribute their 20% when you ultimately put in your portion at the 80% funding rate of the exceptional circumstance review fund.

Ms Lang: Yes. I think we're also all aware that this is a very time-consuming process and we are, quite frankly, taking a look at the policy associated with this kind of financing and attempting to work with the association representing the CASs to determine if we can come to grips with a different way to make this thing much easier for all of us, to simplify it and also give the organizations managing these services some degree of certainty.

Mr Jackson: Is there a mechanism available, then, that where CASs have to react to the crisis of the day, are forced—we have a list, and you know the list far better than I do, of layoffs of personnel and extended waiting lists. Is there any mechanism at your disposal now or in this budget which will allow you to react to that in a more

timely fashion, or do we have to wait for this invitation to consult and discuss ways of funding flowing sooner?

Ms Lang: To some extent, we're looking at the potential for changes in how we fund child welfare agencies and that may have some legislative implications. If that's the case, then we would have to work through some of that. But ideally, we would try to do it in a policy context, and of course it would have to be dealt with in relation to how we do our estimates and the degree to which we can achieve some approvals on anticipated expenditures that would be within what are considered reasonable costs associated with children in care.

Mr Jackson: I notice on page 75 we have 1992 December forecasts, which seem rather old. The forecast figures that I've heard literally start moving off the end of the page in terms of increased demand. In my own CAS at Halton region I've seen 30% increases in sexual assault; 28% increases in abuse; reported cases that have to be investigated and assessments done and programs developed. I have to assume that's fairly typical of GTA experiences.

Could we get the updated figures that would have appeared on page 75? In fairness, they're not here partially because this was printed six months ago, but it would be very helpful to the process if we could get updates for page 75 so that we can compare the deficits and the increased demand figures which your ministry is struggling with.

Ms Lang: I will take that and determine if in fact we can provide that update for you, yes.

Mr Jackson: Are you monitoring the number of employees who have been laid off by CAS? Do you have a protocol in place to determine if CAS is laying off staff or cutting programs, and are you giving any direction with respect to which programs should or should not be cut?

Ms Lang: The answer to your first question is that we do have some information on where societies have settled their budgets and are in fact laying off staff. There is an attempt to pull that together on a quarterly basis. I'm sorry, could I have your second question again?

Mr Jackson: The second one had to do with, perhaps the deputy and I, and the minister, for that matter, know all about what is called program protection. Is your ministry following any such policy that certain programs cannot be cut, such as child sexual assault?

Ms Lang: Yes.

Mr Jackson: Of course, the programs cannot be touched, and in that instance the ministry directives would clearly define that, that you can cut here, you can cut there, but you can't cut there.

Ms Lang: Yes, we have. We have had major communication with our own staff and with the organizations indicating that we would not tolerate cuts in mandatory programs, and those programs are defined both in law and in policy, so that has been communicated very clearly to our agencies and to our own staff.

Mr Jackson: Recently?

Ms Lang: That was back in the spring, yes.

Mr Jackson: Could we get a copy of that ministry memo to CASS?

Ms Lang: Yes.

Mr Jackson: Could I ask you then, on that basis is there evidence, in your mind, based on the data, that mandated programs that are required by law are not being met at this time as a result of increased demand, so that we have a service gap? In other words, they don't have sufficient budget moneys to hire additional staff and they're talking about cutting people, but they cannot do their case loads because they are unable to hire additional staff in order to meet the requirements of the law. Has any CAS identified that specifically to you? That's entirely different from cutting a program, which is an implied threat.

Ms Lang: Not to my knowledge have we had a CAS tell us that it is not able to meet its mandatory requirements under the law.

Hon Mrs Boyd: If I may add to that, as we, the deputy and I, have been going around and talking to the various communities involved, it's one of the issues that comes up and we reiterate those concerns that we be very clear about it. But I think it's important to say here that the societies are very different in the way they provide those mandatory programs. We see a wide range of numbers of children who are taken into care and numbers of children who are cared for in other ways; whether things are done on an individual basis or a group basis; what kind of family support societies offer. So in one sense, we're convinced that people are being very mindful of the mandatory issues, but they do deliver in a wide variety of ways and that makes it confusing when we try to compare from one society to another.

It's part of that diversity of the population and the way in which services have grown up, and I'm constantly amazed at the great diversity in the way in which those services are delivered. I'm always hopeful that it means it's reflecting the needs of the particular community, but it certainly is something that we're looking at in terms of how the funds are allocated in the first place.

One of the things we are looking at with the children's aid societies through their provincial organization is a new way of allocating funds that really takes account of some level-of-care issues and really is much more transparent to the societies themselves, because they also are concerned that there is an inequity in the way we allocate the funds.

1700

Mr Jackson: In your current estimates, Minister, do you have built into that a plan to have the ECR funding built into their base budget?

Hon Mrs Boyd: The ECR funding has traditionally been built in—

Mr Jackson: I'm sorry, I understand all that. Yes or no, are you able to, within this estimates year, before now and March 31, move that into their base funding?

Hon Mrs Boyd: We are specifically doing this on a fiscal basis this year while we do this negotiation around the allocation of funds.

Mr Jackson: Can you give us the figure, then? Are you aware of the amount of moneys that you have in your budget for ECR 1992 budget?

Hon Mrs Boyd: It's \$17 million.

Mr Pascal: Just a comment: As Ms Lang explained a few moments ago, we are working diligently to ensure that we have a system that is more responsive, more predictable with respect to societies and how they manage today and the immediate future. None of us believes the ECR process is working in that regard and as a result we are moving towards some resolution with all the partners. We have not at this particular point in time moved to put those dollars in the base. The solution will arise out of this process of partnership.

Mr Jackson: Are we dealing with municipalities in these discussions, with their 20% contributions, and if so, what actual organization or what group is discussing this and who are the players at the table?

Mr Pascal: One important player is the Ontario Association of Children's Aid Societies.

Mr Jackson: I heard that. I'm asking who else is at the table besides the minister and the Ontario association. Are municipalities involved, since they pay the 20% and have a lot of hard opinions about ECR funding?

Hon Mrs Boyd: At the local level, of course, when we're dealing with this, they are involved in the local discussions around the particular budgets and of course, as you know, are in a position where they can require child welfare reviews if they have any concerns about the way things are done.

Also, as you know, this is one of the items that potentially needs to be discussed as part of the disentanglement process. Some municipalities are very anxious for that to come on to the table very early and others are quite reluctant. They don't see that as something they would like to see dealt with early in the discussions, so at this point in time they are not subject to those major disentanglement discussions between the province and the municipality.

Mr Jackson: I guess I'm a little disappointed that when the Ontario Association of Children's Aid Societies clearly has difficulties, when it has to go on bended knee for a second time in a year to say, "Oh, by the way, we can have X millions of dollars to help our children, but you've got to kick in Y amount of dollars," they're at the mercy of municipal councils that are making all sorts of other decisions and trading it off, quite frankly, against day care and a whole series of other items. So having said that, I guess it's just my sense of disappointment.

I didn't want to bring up the Ron Book report. I brought it with me. It's a damn big book, but it was a good report. Are there any items in the Provincial-Municipal Social Services Review Committee recommendations that you're currently sitting down with AMO to discuss or are these for future discussions at some point?

Hon Mrs Boyd: They are on the list of things for future discussions at the moment. What we decided, as both a provincial and a municipal group, was that we needed to deal with the welfare issues first and the trade-offs for those, and that was a mutual agreement. But I think you make a really good point. I know I was up in Huron county yesterday talking to the county wardens about their concerns around their CAS and they have had a

child welfare review in that county every year for the last five or six years. So there clearly is a dispute. It's very difficult for both those municipalities, and I think you make a good point that in the discussions around the funding formula it would be very wise for us to try to involve the municipalities.

I just make the one caution that if you found, in talking about disentanglement, there was a real difference between the sense of this on the part of some municipalities and others—the large regional municipalities often take one tack, the smaller municipalities another—getting that kind of representation through AMO would be very important, because there are very different interests depending on the size of the budget.

Mr Jackson: At that point, Minister, I'm basically hoping we can get them to a table when you're at that table, and that was my question. What I'm hearing is, they're not at that table.

I guess my time has fairly expired, but I want to thank Ms Lang for her responses. I guess most of what I've asked will come back to the committee before next Tuesday, if possible, and if it can be obtained before the weekend, it would be helpful to the committee.

The other snapshot I'd be very interested in having a look at is what the current ECR funding totals requests look like as they're coming in now. Thank you very much. My time has expired.

The Vice-Chair: It has. Thank you. Yes, Mr Bisson.

Mr Bisson: I'm on my time now? Now that I'm on my time, we'd be willing to give our time today to other committee members from the opposition parties in order to be able to save some time for Wednesday. If they want to go, we'd be prepared to do that.

Mr Eddy: Speaking to a point of order, it's been decided on the time allocation for the estimates. The committee rules, I believe, set something out in that regard, and I'm not at liberty to agree with that. I am at liberty to agree with the reallocation of the time between the parties, and if the government does not wish to use its time, then we would be—

The Vice-Chair: I think that's what we're talking about here, a reallocation of the time. If the government wishes to forgo its 20-minute portion at this point today and then we revert to you—

Mr Jackson: The mutual agreement would have to be that this becomes a reduction of the total time of the estimates. I don't believe the member opposite is offering to just yield 20 minutes.

The Vice-Chair: No, that's the understanding.

Mr Jackson: That's what I think should appear in the record, if that's what we're about to do.

Mr Bisson: Because on Wednesday we'll have to come back here and bring all of the ministry staff for about an hour, I'm just trying to find a way that we can get finished by Tuesday.

The Vice-Chair: That's right. The government member's time will be banked, and if the government members

choose not to use it at the end, then that will be the end of the rotation.

Mr Bisson: That's good. We pass. We'll note that we're giving our time, putting it in the bank, and we'll see what happens. Always leave your options open, because they have to go back and talk to their caucuses.

Mr Jackson: Do you have any new CASs you'd like me to raise on your behalf?

Mr Bisson: We're going to do it on Tuesday.

Mr Jackson: Oh, okay. Good.

The Vice-Chair: This leaves us 50 minutes, so why don't we split the 50 minutes, 25 minutes each, for the rest of this afternoon? Is that agreeable to you?

Mr Eddy: Yes.

I'm pleased that we've had the discussion regarding the children's aid societies. They're very important services, of course, and we all realize how crucial their services are. Certainly, the experience of many of them has been mentioned: great difficulties at this particular time with increasing case loads.

One of the things that has always bothered me, of course, about children's aid societies is the lateness of the annual budget approval, and that's been an ongoing problem for many years. There are some other provincial agencies, but this is one, it seems to me, in which the budgets are approved quite late in the year. Has that improved somewhat in the last year? It's so much better to have the allocation there to start with; we do in so many other things. But it seems to be much more difficult in this case.

Hon Mrs Boyd: Part of the objective in the negotiations that we are having with children's aid is to try to regularize the process a little bit more. The level of the work plan that some children's aids submit to the municipality is really huge, and when we know the kind of workload involved for them in separating out what are mandatory programs and all that sort of thing, it's fairly high.

I have a concern, as you do, that when people go through a large portion of the budget year before that final approval it really isn't good for orderly planning, and that certainly is one of the issues that has been raised and will continue to be raised as part of the negotiations.

1710

Mr Eddy: I'm pleased to hear about that. I'd like to raise the question of domiciliary hostels. There was to be a study regarding domiciliary hostels and the service. There is a considerable controversy in some municipalities—I'm thinking of one in particular, Brant, but it is happening in other places—where some of the municipalities responsible for social services do have agreements with domiciliary hostels and are sharing the cost with the province, others do not have and have never had any, some others have discontinued the agreements, and some are thinking of doing that. I know there's been a considerable controversy about that. Do we see that progressing towards a solution within some time frame?

Hon Mrs Boyd: There are of course the two reports happening. There was the Lightman report on all sorts of unregulated residential accommodation. There's also an

in-ministry report that is being done through the consultants Ernst and Young. We expect to have their report by the end of October, and that report is to detail for us all the different levels of service provided by the different forms of hostel. As you know, there are quite a few. There are the emergency hostels and so on. We've had quite a good input from municipal officials as well as hostel operators and consumers around where they see the future direction of the hostel program going.

The other thing that you should know is that one of the aspects of the discussions on disentanglement with the welfare assistance is the hostel allowance as part of that, so it's at that table as well. This information will be very helpful to us at the disentanglement table because it will lay it out in a much clearer way for both municipal officials and provincial officials when we are discussing where that fits with the whole process.

Mr Eddy: It must be an awkward situation where some municipalities participate and some don't.

Hon Mrs Boyd: Yes. We've been in the situation where, in a couple of cases, municipalities have suddenly opted out and left people without emergency shelter. The ministry has had to move to protect the vulnerable people involved.

Mr Eddy: The other problem about domiciliary hostels is the matter of licensing or certifying them in some way, because there is a tremendous difference.

Hon Mrs Boyd: A tremendous difference. When you read the Lightman report, it is just incredible to see the wide range of things we're talking about. Certainly, some of these operations are very creditable in the way they operate, and in others, it's quite clear from Mr Lightman's report, there's real concern about what the effect is on the individuals who participate in those programs.

Mr Eddy: Thank you. With regard to the integration of GWA with FBA, I think you mentioned some changes in your report. There were several pilot projects integrating GWA and FBA in the province, and that program was stopped suddenly. I've forgotten the term that was used, but the process was tabled in some way and there were no others. Then there was the matter of the single application. What did they call that system where the local social services would take applications for—

Mr Pascal: Joint intake.

Mr Eddy: Joint intake, yes. That system and some of those have been discontinued, I guess, over agreements of funding.

Hon Mrs Boyd: That's not my understanding.

Mr Pascal: That would be news to me, as well. We haven't taken any new pilots on for experimentation and evaluation, but to the best of my knowledge the pilots that were set in motion are still ongoing.

Mr Eddy: Are there nine of them? Sorry, I was speaking—the discontinuance was in joint intake. That is one case I knew about. But let's go back to the integration. Those pilot projects have continued and are working well. Minister, in your report you mentioned, I believe, a new system of consolidating. Can you explain more about that?

Hon Mrs Boyd: The recommendation from all the study that's been done, both from SARC and from Back on Track and then again from Time for Action, is that because we have in the two different systems such a variation in terms of application, particularly when you do have municipal discretion and GWA and so on—it is such a variable system that the two systems should be collapsed. We've got 23 different categories under the two acts, and that is one of the reasons why we have so much confusion about who is eligible, who is not, why we have so many applications for review by the Social Assistance Review Board and so on.

We certainly agree with the thrust of SARC, Back on Track and Time for Action that we need to integrate those two plans and make the whole system much more transparent so it's much more immediately obvious whether you are going to be eligible or not. We really hope to cut down on the number of review applications and so on. Certainly, the programs that have done some integrated intake show that there are ways in which we can get some economies of scarce personnel and more time for people to spend with social assistance recipients doing front-door screening if we look at a much more simplified system, so we're certainly committed to that.

Part of the purpose for our being at the disentanglement table with municipalities around the cost of welfare is that if we are going to make a very significant change in the way in which welfare is administered and delivered, then it's really important to sort out where the provincial interest is and where the municipal interest is and not have fears about those issues around the who's-going-to-have-to-pay-what part of the picture when we really look at integrating the systems.

Right now, as you know, there are whole portions of the system that are available in one municipality and not in another. Some municipalities spend more on bus tickets than they do on anything else, as you know. So we are really looking at a situation where, in order to get to that point, we need to be sure that the provincial interest is the primary interest in terms of redirecting the system.

Mr Eddy: Will the system of delivery be part of the—it won't be part of the disentanglement process, but—

Hon Mrs Boyd: At one time we thought it would. In fact, when we sat at the table, the first item was to be the allowance issue, how that's split down. Then the next items were to be the various supplementary allowances and then the delivery system.

What we found is that this isn't a very fruitful place to be talking about the whole issue of delivery unless we have a sense of how the redirected system is going to work. It's very clear, both in SARC and in Time for Action: We have to have locally available delivery. It has to be something that's accessible and very possible for people to feel at home with as they access the system. But whether it has to be delivered by one level of government or another or in another way has not been determined at all. We're definitely looking at that.

Mr Eddy: So you'll be looking at all possible systems or ways of doing that.

Hon Mrs Boyd: Yes, and on the evaluations of the integrated systems that are going on, we've got auditors in I think two or three of our locations right now looking at how the efficiency of that integrated system works. Added to the other reports that have come out of it, that gives us a very good idea of what works and what doesn't in rural and urban areas, and it is different.

Mr Eddy: Yes, it is different, and of course some rural areas are with their cities for deliveries and some are not.

Hon Mrs Boyd: That's right.

Mr Eddy: It could still be delivered there, but—

Hon Mrs Boyd: When you add the complication of some places having district welfare boards on which people participate variably—I mean, we've had visitations from some of the district welfare boards where they feel they're unrepresentative of the population that's actually being served. Those are all questions that need to be looked at as we look at the reform of the system.

1720

Mr Eddy: I had heard at one time that as of January 1, 1993, municipalities would not be paying a share of the cost of social assistance and that the delivery system would be dealt with, but that's awfully soon.

Hon Mrs Boyd: It is awfully soon, and obviously things have taken a long time. What we hope for is that we will have a decision early in 1993 about how we're going to proceed. We can't anticipate at this point that it would actually kick in before 1994 at the earliest; that again has to be an issue of mutual agreement at the disentanglement table. We have not yet looked at what the benchmark year would be in terms of cost-sharing and so on, and that has to be added into the mix.

Mr Eddy: You are a member, I understand, of the provincial-municipal disentanglement process, so you're at the table. That's good, because I think it's one of the first things that needs to be settled.

Hon Mrs Boyd: The evidence has been really overwhelming, and every other government has had similar concerns about the need for us to come to grips with the entanglement we now have and how we can be more streamlined and gear our systems much better for customer service. So we feel, and I think the municipalities do too, that in doing this work we're carrying on in the tradition of our predecessors in trying to come to grips with some of these issues.

It's very hard, because the interests of the municipalities vary quite substantially depending on what their responsibilities are, whether they're upper tier or lower tier, whether they're urban or rural. I think the interests of the various ministries that have to negotiate also are a little different, so it's a tough process, and I think other governments have also found it a tough one to come to grips with.

Mr Eddy: There is a difference in legislation regarding the responsibility of delivery too, because in some counties I believe social assistance is still at the local level; separated towns and cities are usually on their own. But with the counties it was a system of agreement, where they negotiated an agreement, which included 50% of the

approved cost of administration, of course; there are some restrictions on that from time to time now.

Hon Mrs Boyd: And some improvements from time to time.

Mr Eddy: That's right. Thank you for adding that; I should have included that. Whereas I believe that for all of the regional municipalities it's been a mandated responsibility, and it's loud and clear and certainly has been expanded upon a great deal.

Hon Mrs Boyd: And as a result, their interest in delivery is quite different than it is in the ones that aren't consolidated into a particular area.

Mr Eddy: Are there still some counties?

Hon Mrs Boyd: Yes.

Mr Elston: I understand the issue around disentanglement, but in fairness to you, you've had a very strong position with respect to responsibility of the provincial government in providing social assistance. Do you think it's fair to be using social assistance payments as a bargaining chip with the municipalities over assuming other obligations? Isn't it, in the purest sense, your responsibility to assert the provincial requirement to fund social assistance without asking the municipalities to trade by picking up some of the responsibilities? Doesn't that really inhibit your ministry from delivering the service in the purest sense?

Hon Mrs Boyd: I would simply have to disagree with you. We went to the table with the clear understanding between the parties that this was to be a zero fiscal effect, either on individual taxpayers or on the different levels of government and the different tiers in the municipalities. That was the ground rule for going to the table, and frankly I have no reason to disagree with it. The issue was not trying to shift the burden from one area to another on this particular round of negotiations, although the Fair Tax Commission, as it does its work, may certainly be looking very seriously at that kind of thing. We didn't want to pre-empt the work of the Fair Tax Commission in the work we were doing at the disentanglement table. That was why that was the ground rule for the negotiation in the first place, and I don't feel it inhibits us in terms of the work we're doing.

Mr Elston: I don't think it inhibits you, but my question is basically with respect to the theory of providing social assistance. My colleague from Burlington South sort of anticipated my next question: If social assistance and social programming are to be guaranteed under the new constitutional accord, which the assertion by the Premier and others has been, don't you therefore think it becomes fully the responsibility of the signatories of that accord, namely, the provinces and the federal government, to deliver, as opposed to putting any requirement for social service delivery upon the backs of the children of the province, the municipalities?

If you're going to ride with the theory that it is a provincial mandate, that it is a provincial requirement, that it is a citizen's right, I just think that you as the upholder of the rights, and you as a funder of the social requirements

of the people here, should pick it up without asking the municipalities to pay you something to take over the entire obligation.

I don't mean to be blunt, but in a way, when you reduce disentanglement to its most basic form, it is: "Okay, municipalities, you're complaining about the cost of social assistance right now," and social services, but let's just talk about social assistance. "We'll take that off your hands, but you buy into paying for"—the Minister of Municipal Affairs has told us it won't be roads—"but you pay something else as an equivalency to offset us picking up the costs of social assistance."

Don't you think that really runs contrary, first of all, to the culture of your ministry, and second, to the new accord which has been settled upon, which speaks so highly of the motivation of the federal, provincial and territorial and native signatories to that accord?

Hon Mrs Boyd: No, I don't. Very clearly, an open-ended human program like the social assistance program does belong more appropriately with an income-tax-based way of paying; I certainly agree with that. But there are many things the provincial government pays that more properly belong with the property tax that is raised by municipalities. None of the municipal leaders at the table with us have raised that issue in that way—

Mr Elston: But they don't have a choice.

Hon Mrs Boyd: —and we went into the discussions with a clear understanding of what the ground rules were. And no, I just don't agree with you that it's a choice forced on them.

Mr Elston: Don't you agree, though, that they have been forced to pay their way out of the social assistance problem? They have been increasing their local budgets for payment of their share of social assistance for the last three or four years, whatever; each area is different. When their complaints have been heard and sympathetic ears have been available at the ministry, they have been told, "We'll get into disentanglement, but the cost of disentanglement is for you to pick up something else that we don't want to pay for any more." Isn't that really a way of purchasing their way out of social assistance? It is, in my view.

Hon Mrs Boyd: When you look at the issue of finding a base year, then the open-endedness of that program for them will stop. Right now they have no control over that expenditure. It's hard for them to set their mill rates and ensure that they can meet their obligations. We understand that and we're empathetic with that. The part they pick up as their share will be much more easy for them to plan, will be much easier for them to phase in for their taxpayers. That is where their interest comes in, to stop the open-endedness of the thing, over which they have no control, and we have real sympathy with that.

We're not in a position, and wouldn't have gone to the table, if it were simply a question of adding a load on to the income tax base and leaving that taxing power completely open to municipalities. When we consolidated counties and school boards previously, we did not see a drop in property taxes, and what we're saying is that if we're going to do a trade, we need to do a trade so that—

Mr Elston: That's my point. Why do you need to trade? Why do they have to buy their way out of this obligation in order for you to take over an area which you have already said, without question, is a provincial sphere? When we talk about disentanglement, it's like you're tripping over each other. That's fair, but you can disentangle by merely saying to the municipalities: "This is our area, the federal government and provincial government"—

Hon Mrs Boyd: But you had the opportunity to do that when you were in office.

Mr Elston: We did, and that's always going to be an easy answer for you, but my question to you is, and still remains: Why, why, why, when you put the case for the provincial and federal requirements of sustaining social assistance payments, are you as a government asking the municipalities, at whatever level—county, regional, township, town, village—to buy their way out of social assistance?

Hon Mrs Boyd: Let me just be clear. You're asking us to increase personal income tax or else increase the deficit by taking on something quite additional?

Mr Elston: No. I'm asking you why you're asking municipalities to buy their way out of social assistance payments. That's what is happening right now. And here's the other issue forming with respect to that—

Mr Jackson: I think you're being kind. They're not asking them to do anything.

Mr Elston: They're telling them to.

1730

Here's the other question that is important for me: You have talked about open-ended situations and allowing municipalities to become more predictable. There is nothing predictable about how much maintenance is going to be required for water, sewer and other environmental systems; there is nothing predictable about the wear and tear the natural environment will have on physical structures like bridges, culverts, on municipal facilities; there is nothing predictable about how many facilities are going to be required to be paid for by the municipality to fulfil the programs the province sets up to administer things like child care.

For me, your simple reply, "You had a chance to do it," is an easy one for you, but it doesn't answer the question. I'm not saying it's easy, but if you really are a person who believes the point she makes about provincial-federal responsibility and the difficulty which besets municipalities, why are you part of a government that tells us the municipalities will have to pay their way out of the social assistance payments? That's the simple question. It doesn't require you even to comment on whether or not we had the nerve to do any of this, but it does ask you to come out and tell us why you're asking the municipalities to buy their way out of this situation.

Hon Mrs Boyd: I just so fundamentally disagree with your characterization of disentanglement that it's difficult for me even to answer you. This was a position we took in conjunction with the municipalities that we both thought was to our mutual benefit.

Mr Elston: They wanted relief from social assistance.

Hon Mrs Boyd: That's what negotiations are all about.

Mr Elston: You said it's right for them to want relief from social assistance because it is a provincial-federal requirement that they pay for their citizens, and now you've said, "We won't take it over, though, unless you pay something else and take that off our plate." I don't understand that.

Hon Mrs Boyd: Well, they're not objecting.

Mr Elston: They can't object.

Hon Mrs Boyd: Yes, they can.

Mr Elston: You are the dominant partner at the table.

Hon Mrs Boyd: We don't have to come to that agreement and we can go ahead and reform the social assistance system without any reference to them and they'd still be forced to pay part of it, and that's part of our interest. We know we want to move to reform—

Mr Elston: Well, that's what they understand. They know exactly what you just said, and that's exactly why I wanted you to get into this dialogue with me—

Hon Mrs Boyd: But we talked to them at the table about that.

Mr Elston: —so that you would explain to the public what it is that is forcing the municipalities to pay their way out of social assistance.

Hon Mrs Boyd: I don't believe they're being forced. They have other choices.

Mr Elston: They have no other choice.

Hon Mrs Boyd: They have made the choice that they will be at the table.

Mr Bisson: How much time is left?

The Acting Chair (Ms Christel Haeck): One minute for the Liberal caucus.

Mr Elston: One minute? I was just getting interested in this. As difficult a question as it is, when you speak to people who hear the speeches we make as provincial politicians, and I'm being very serious and upfront with this, they say: "If you are really so much in charge of this stuff and you really believe in what you've just said, why don't you just do it? Why is there always a price exacted from us?" That is something I can't explain, except that the full cost of having to come to grips with economic problems right now forces people to do things they maybe don't want to do, including people of principle.

The Acting Chair: Murray, your time has just run out, and I turn the floor over to Mr Jackson.

Mr Jackson: I thought Mr Elston was being provocative, but argumentative, unfortunately. I guess I'd like to build on his very good line of questioning—briefly, because I had some other stuff I wanted to raise here.

Mr Elston: I just reminded you of something you might want to get into, right?

Mr Jackson: No. I think you've raised a significant point, but I don't think it's the subject of a debate. What concerns me is what I mentioned earlier, that Richard

Johnston used to sit in this chair and David Cooke used to sit in that chair and argue from the social democrat's point of view about the responsibility of the funding, that for years they argued that it shouldn't be on the municipal taxpayer, that it should be part of the income base.

I could keep going back to my thesis of this reawakening of the social democrats using the Mulroneyite arguments that this is all tied to economic recovery, that somehow we're going to be trading off social services. Rather than debate you, Minister, I would basically ask you a question.

I'm aware of all the programs you're currently responsible for and I'm aware that provincial legislation mandates us, our government, to put those programs in place; of the charter, which has no impact on municipalities, quite frankly, but has all sorts of impacts on provinces; and the new Charlottetown accord will have impact on provinces but not on municipalities, as your Premier has pointed out.

Are there any services currently that you're legally required to provide that you could see potentially being handed over to the municipalities, which is another way of asking Mr Elston's question. He's referenced roads, maintenance and other things. I'm more concerned, in the context of social services since it is those human needs that are dealt with, if you see any of those being transferred, such as, is day care a right in society or will it be disparate by virtue of municipalities saying, "We've had a bad tax year so we're cutting our subsidies," which is what's occurring in Ontario today.

One of the reasons I'll support the Yes vote is because municipalities will not be allowed to do that. Once the funding is available, they'll be required by law to provide it. I'm not going to debate whether you horse-trade with municipalities. That's the reality of governing. I'm simply asking you, are there any services you could see transferring to the province and you wouldn't have any worries about being able to guarantee those levels of support? I, for one, can't find a single service.

Hon Mrs Boyd: We have a whole list, frankly, of services. I'm not going to start delineating each one because there are very different views. This is what negotiation is all about and I'm not going to sit here and talk to you as though we're negotiating something that in fact is being negotiated at a different table. It's just not an appropriate place for a discussion of this.

Mr Jackson: Fine.

Hon Mrs Boyd: We have a full list of things and people have different views.

Mr Jackson: That's fine. You answered the question.

If I can go back to your Jobs Ontario Capital program, as the Chair of estimates, we ask every minister this question. Could your deputy please tell us exactly how much is in these estimates, since the Jobs Ontario announcement of June 24 is not clear and evident in these estimates nor supplementary estimates? Could you please advise us of the actual amount and if that's in print form, if they could get us a copy of it?

Mr Pascal: The approximate amount is \$29.616 million. Mr Jackson is asking for details with respect to this expenditure?

Mr Jackson: Jobs Ontario Capital for your ministry.

Mr Pascal: It's \$29.616 million.

Mr Jackson: For 1992-93?

Hon Mrs Boyd: Yes.

Mr Pascal: That's correct.

Mr Jackson: That is the estimated amount. Can you tell me how many projects are involved and how many have been approved to date?

Hon Mrs Boyd: In long-term care, which is community residential alternatives, \$3.5 million has been designated; in the family violence area, \$2.2 million; in the child care area, \$22.5 million—

Mr Jackson: I'm sorry, Minister, I don't mean to interrupt you, but I asked if they were approved. Are you giving me what you've allocated out of the total \$29 million?

Hon Mrs Boyd: What we've allocated, and we can certainly give you a list of those that have been announced. There are a number that haven't been announced because they're still in negotiation with the particular groups.

Mr Jackson: Fair ball. What we're trying to get a handle on is that the \$29 million is your estimate, and then you will break that down and you'll share that with us.

Hon Mrs Boyd: By category, yes.

Mr Jackson: The next question we generally ask is, how many have been approved, and the deputy usually tells us "2 out of 12 projects; 10 out of 30." I'd like that figure.

Mr Pascal: The deputy would be pleased to do so when he has the specific figure.

Mr Jackson: Then I'll complete the questioning in this area. Then we generally ask how much money will flow in this capital year, how many of these cheques will make their way out of this building between now and March 31.

The final question is—how do I word this in the positive?—in order for you to come up with this money, what other areas had to contribute to the success of Jobs Ontario by surrendering their capital projects? Where did you get the money from within your budget?

Hon Mrs Boyd: We didn't. We didn't take any dollars out of our budget, expect the anti-recession dollars that were last year. This is the only reduction.

1740

Mr Jackson: You're a fortunate minister, because each of the previous ministries has indicated in which areas it had to do cuts. Perhaps I could ask you, then, how do we describe on your capital estimates—your overall capital estimates are down by some \$30 million. Where are our capital estimates? I know you'll help me out with this.

Mr Pascal: Page 109, I think.

Mr Jackson: I have the vote numbers here. The 1990-91 actual was \$102 million. The 1991-92 estimates were \$122

million. I don't have the actuals for 1991-92, but I'm showing that your capital of \$85 million shows that you've reduced your capital expenditures by \$37 million. That's what I'm reading in your current estimates.

Hon Mrs Boyd: It does not include the \$29.616 million. The Jobs Ontario was a post-estimates amount, so the \$37 million does not include the \$29.616 million. What it does say is that the \$51 million that was there for the anti-recession program has come out; \$51 million was a one-time shot for the anti-recession program and it has come out. The increase, then, in our base capital funding of \$13,779,100 is added and on top of that, the \$29.616 million.

Mr Jackson: You'll forgive me, but I've got to work with simple numbers here. The anti-inflationary \$51 million came out of what budget? Your budget?

Hon Mrs Boyd: That was a corporate initiative budget. It did not come out of our base; it was added to our base.

Mr Jackson: Okay, and where does that show in your 1992-93 estimates? Where is the \$51 million extra in capital dollars?

Hon Mrs Boyd: That was in 1991-92; it has come out. It was a one-time amount in 1991-92 and it has come out of our estimates for 1992-93. We've had an additional capital funding of \$13,779,100 and then on top of that an addition of \$29.616 million of the Jobs Ontario Capital for this year.

Mr Jackson: That sounds great, but you've got a 1991-92 figure of \$122 million, and you've got, even at the best look, 1992-93 as \$85 million plus \$29 million. I'm still seeing a shortfall.

Hon Mrs Boyd: It's not a shortfall. There was a one-time, non-base allocation from the corporate coffers for the anti-recession projects to try and kickstart jobs. That was never considered part of the base capital allocations to the ministry. It was a one-time thing, so yes, it has come out.

Mr Jackson: So you can read it either way. You're either \$10 million or \$11 million less this year than last, or an amount greater. I know how we do the creative book-working. I'm just looking at the numbers on this page. We're talking a lot of dollars here. Capital dollars are less.

Hon Mrs Boyd: We're saying \$51 million that was in the anti-recession project has come out. We can give you the details on it if you wish.

Mr Jackson: When I asked this question of the ministry last estimates, I was told there was flow-through into this year and that most of the \$51 million wasn't being spent in last year's estimates. All that \$51 million wasn't spent in the 1991-92 fiscal year.

Hon Mrs Boyd: I believe it was. My understanding is that we may have had to hand some of it back, but I think the actual expenditures we had were in fact \$3.617 million over our allocations. We in fact flowed more dollars.

Mr Pascal: I think that is correct. I will verify that the \$51 million was totally expended in that year, but I think that is accurate.

Mr Jackson: We did our Comsoc estimates earlier last year. My recollection is that it wasn't all going to be spent in that year. Now, if you were able to do that, all power to you, but I'd sure like those numbers confirmed, because as far as I can see, your ministry's capital expenditures are down by some \$11 million from capital of the last two years.

Hon Mrs Boyd: As I said before, that will be true in every ministry because of the anti-recession capital, which was not part of the base.

Mr Jackson: If I can go back to children's aid societies for a moment, in the treasury board document, which was a meeting at which you were present and voted on Tuesday, March 31, "This budget approved"—I'm quoting directly from the treasury board document, even though it's confidential; it was no longer confidential when the media leaked it to us—"but the board noted that \$17 million was placed on holdback, pending a review of the exceptional circumstance review process by May 15, 1992." Is the \$15 million still on holdback or are you releasing those funds is my first question.

Hon Mrs Boyd: Did you say \$17 million?

Mr Jackson: Yes. Nodding doesn't help Hansard; I'm sorry.

Mr Pascal: Yes, it is.

Mr Jackson: Okay, so it's now been released; it's no longer on holdback.

Mr Pascal: It's still on holdback.

Mr Jackson: So you're still holding back.

Hon Mrs Boyd: Pending the final negotiation of allocations with the various societies.

Mr Jackson: Fair ball, but it indicates that the exceptional review process would be done by May 15, 1992. That was some months ago. Why has it not been freed up for transfer?

Hon Mrs Boyd: That's a good question.

Mr Pascal: I'll ask for assistance from Ms Lang, but I think we are also awaiting some discussions around the ECR process. There's dialogue going on in relationship to the reports coming forth I think is the answer, but I'm going to have to ask Ms Lang—

The Acting Chair: Ms Lang, perhaps you would like to join us here and make your statement.

Ms Lang: As I understand it, the \$17 million that's on holdback is for costs we anticipate will be incurred in 1992, and those funds being distributed to the societies will be subject to our review with those societies and a confirmation of those expenditures. Once we have that as a result of our year-end review of the CAS budgets, we will be looking at the allocation of those dollars.

Mr Jackson: Thank you, Ms Lang, but I guess I'm having difficulty where treasury board and cabinet have approved a document which says that the \$17 million which CASs are desperate to get their hands on in order to maintain the quality of their programs (a) is still on holdback at this point and (b) was being held on holdback until

May 15, which is some time past the time when this March 31 document was being reviewed.

The Acting Chair: Mr Jackson—

Mr Jackson: I'll finish my questioning, please.

Secondly, having noted that there is a problem with the delay in the flowing of this funding, we now find out that this is still on holdback and that the review is still ongoing, even though the review process was to occur by May 15. I assume members of the cabinet felt that it was important enough to get the review done soon enough and that is why the date May 15 was noted in a treasury board document.

The Acting Chair: Mr Jackson, would you accept an explanation from the deputy?

Mr Jackson: Sure.

Mr Pascal: The May 15 date was the date upon which treasury board asked for a progress report on the ECR process. The treasury board, with respect to its role, obviously is as concerned as the children's aid societies around the province, and the ministry, with respect to the process. They wanted an update with respect to that review. They have not at this point in time received that review. That was meant to be a progress report with respect to developing a new approach to funding CASs across the province. As Ms Lang has reported, until that is codetermined with all the parties in terms of change, the \$17 million on holdback is there to continue the process of the ECR reconciliation that has been part of the approach to funding.

Mr Jackson: Let me ask the question a different way then. When did the 1991 ECR funds flow? On or about what day did 1991 funds flow?

Ms Lang: They would have flowed probably somewhere between March and June 1992.

1750

Mr Jackson: Fine, which means, and this document says, "The \$17 million we've earmarked is not included in these estimates," and that it's reasonable to suspect that possibly, all things being equal, we will not see that money flow—I know you can't say that—until March 1993. I have a document which says that they're not in here, and I'm getting further clarification on that. So our CASs may not anticipate this badly needed relief until March of 1993.

Ms Lang: It will happen in a couple of different ways. We could potentially flow some money in-year if in fact we have evidence that the costs that have been incurred by the societies are indicating they need some additional cash to manage. In addition, we would probably look at reconciliation that would happen as the result of their year-end budget and confirm their costs and ensure that they were in fact costs associated with exceptional circumstances, and then money would flow as a result of that exercise. It is possible that some of those dollars will not flow until March of next year.

The Acting Chair: The minister wanted to—

Mr Jackson: When I'm finished my line of questioning, please. What is concerning me here is that when I asked the question earlier, I asked about the flexibility in order to respond to it, and I was led to believe that there wasn't the

kind of flexibility—we're waiting for the consultation. Now the fine point on it is that there is a possibility.

So if I can now ask the minister, given that the \$17 million isn't clearly delineated in the estimates according to the treasury document, but you will have that money on or about April 1 or March 31, how much moneys do you have in this budget to deal with the kinds of emergencies that might emerge between now and March 31?

Hon Mrs Boyd: The \$17 million is there. We have not gone with the detail the treasury board needs to release those funds from holdback. But in the meantime, we do have the capacity to flow emergency dollars, as we talked earlier about Prescott. We know that we can do that from the line that we have.

This is the reason we want to change the funding. I keep comparing it to the emergency firefighting in the north. If we know we're going to incur costs and we know that the children's aid societies, when they estimate the kinds of costs they're going to have—because they have a good idea of their work flow—why do we have this set out there as something that has to be applied for afterwards rather than something that is flowing through? What we're working on with the children's aid societies is a much more certain way of planning their budgets so that they don't have to wait until all the data is in and all of it's analysed before they get that funding. We don't think that's appropriate either, even though it's been the custom for many years.

Mr Jackson: I understand what a "holdback" means; it means you are going to have to borrow internally in this budget in order to flow moneys prematurely. I'm looking at a document that says you'll have your \$17 million from the end of your fiscal year. That's the point I'm trying to establish. It's not that you don't have the money or you do have the money; it's when you have it, based on the circumstances. We will be revisiting this issue when we look at the size of the deficits, the number of children on waiting lists and the serious problems that our CASs are experiencing.

Hon Mrs Boyd: In fact, last year we flowed over 80% of the dollars early because we were confident enough about the figures, and the only thing that was under dispute was a small portion of the dollars. So we can go and get some of the dollars from holdback without the data, and did do that last year, to try to ease exactly those problems.

Mr Jackson: I'm sorry to replay what's obvious here, but I just heard from Ms Lang that the majority of the funds were flowed on or about January 31 of this year. Now you're telling me that a large portion of it was flowed earlier.

Hon Mrs Boyd: Yes. On or about January 31, that's right.

Mr Jackson: Or March, I thought I heard her say. But can we get that, as well, in terms of the data?

Hon Mrs Boyd: We can see when the data came through, sure.

Mr Jackson: The situation out there is rather desperate for some of these CASs. Thank you.

The Acting Chair: Mr Jackson, you have about four minutes left.

Mr Jackson: Four minutes?

The Acting Chair: At least for today, and then I guess we really do have to have some discussion as to what's going to happen on Tuesday.

Mr Jackson: Sure. Can I discuss with the minister then briefly if there are any discussions or plans around the issue of extended care for crown wards, which is continuing to 21. Some are extending beyond that by virtue of their being in school. There's been some discussion shared that this may be adjusted and be put on a FBA/GWA and that that might trigger at an earlier date. Are there any discussions around this at the moment, and if so, what are the budget implications for the saving to you in this regard and what are the increased costs that might be anticipated by tying it to FBA?

Hon Mrs Boyd: We have had discussions around the province with the groups of crown wards. We've had quite an interesting series of discussions with them around what they see as the appropriate action for us as in loco parentis. One of the things that has become clear in those discussions is that different children's aid societies operate in very different ways and some carry it through their services longer than others. Obviously we've been permissive as a ministry to allow that flexibility.

I think the consumers themselves are saying they want some certainty in this and they want some equity and they want the inconsistencies to end. We agree that's wise. We're in the process of developing policy now around how to achieve that and doing some costing about what the difference in cost may be. It may not be as substantial as has been predicted.

There are various different ways in which it's been suggested that it might be dealt with. One of them obviously is sort of a guaranteed access to the OSAP in a way that is appropriate for them. One certainly has to look at the possibility of other training components: training allowances, the possibility of how that combines with social

assistance. The decision is not made. The policy discussions are going on, and we certainly will be reporting on the success of those negotiations as they happen, but the policy is not formulated at this point in time.

Mr Jackson: So you're not currently planning to extend these benefits to age 24.

Hon Mrs Boyd: That decision has not yet been made. We're certainly talking to our crown wards about the necessity of being much more responsible for their futures than we have generally been, but that decision has not been made to date.

The Acting Chair: You have about a minute left.

Mr Jackson: We've had an interesting first day and I think it's time. I thank the minister and the deputy and the staff who've been forthcoming and we'll look forward to Tuesday.

The Acting Chair: In turn, I also would like to thank the staff for their assistance, and I believe we have some discussion between the three caucuses about how Tuesday will play out or if there are any concerns about time allocation on Tuesday. Mr Bisson, did you have something that you wanted—

Mr Jackson: I'm sorry, on a point of order, Madam Chair: Is the clock running?

Interjection: No.

Mr Jackson: So we've adjourned?

The Acting Chair: Basically we've finished for the day.

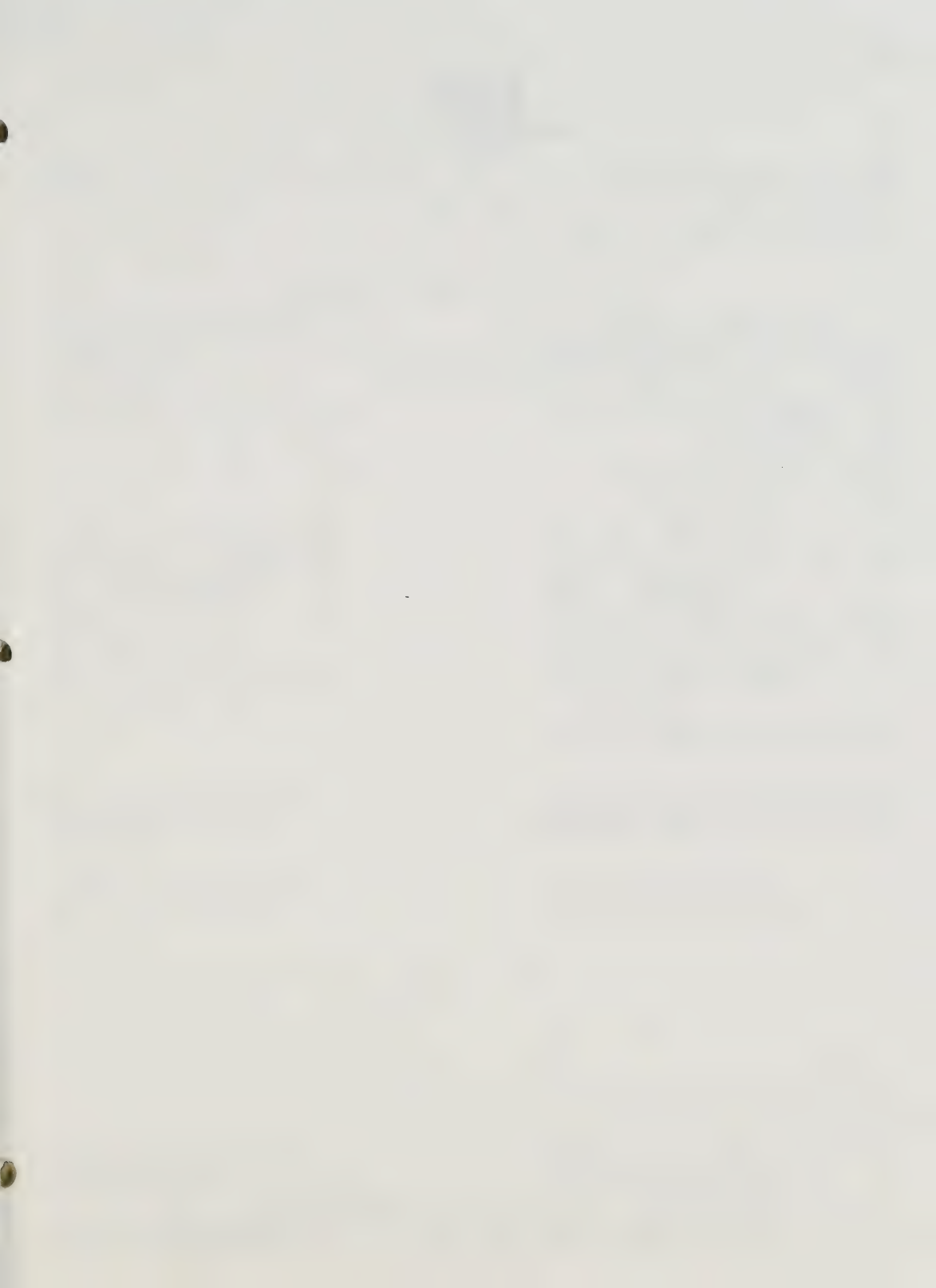
Mr Jackson: That's the basis on which the clerk does the calculation: when we've adjourned.

The Acting Chair: Yes. It's six o'clock, and we basically had about 30 seconds left at the start of this conversation.

Mr Jackson: Then it's adjourned. Could you announce the adjournment, and then I'd love to have a sub-committee meeting.

The Acting Chair: This meeting is adjourned.

The committee adjourned at 1758.



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Also taking part / Autres participants et participantes:

Wilson, Jim (Simcoe West/-Ouest PC)

*In attendance / présents

Clerk pro tem / Greffière par intérim: Manikel, Tannis



Legislative Assembly of Ontario

Second session, 35th Parliament

Official Report of Debates (Hansard)

Tuesday 13 October 1992

Standing committee on estimates

Ministry of Community
and Social Services

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Mardi 13 octobre 1992

Comité permanent des budgets des dépenses

Ministère des Services
sociaux et communautaires

Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 13 October 1992

The committee met at 1534 in committee room 2.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Acting Chair (Mr Gary Carr): We will call to order the standing committee on estimates. It's my understanding that when we left off it was going to be the Liberal turn for questions and that we were going to be going in half-hour rotations.

Mr Charles Beer (York North): Madam Minister, I wonder if I could ask you some questions around the whole issue of what's called the triministry recall.

I know you've had a number of meetings in recent weeks. As I talk with people in York region and Simcoe county, the concern, as I believe you're aware, is of the \$9.7 million. For a whole series, I suppose, of historical reasons, approximately half of that has been expended in York region and in Simcoe county, affecting—because this deals with the developmentally handicapped—a number of community living organizations in Newmarket, Georgina, and in particular, the York Support Services Network, which provides case management services.

There were a couple of meetings. I forget just who it was who met with you at which time, but a number of facts were set out in terms of the number of children and adults who would be affected, as well as staffing. In effect, the way the funding works, York Support Services Network, for example, would be very badly hurt. In fact, it would be difficult for it to function if these dollars left.

I wonder if you could share with the committee what you see that can be done here. I think one of the specific concerns would be that the triministry program is supposed to end at the end of this fiscal year. Clearly, people who are working in these organizations have to start thinking about, "Where am I going to be on April 1?" I think there's a need to try to bring this to some conclusion. Could you tell me a bit about where you see that going and what steps you could take to ensure that the services that currently exist in York region and in Simcoe county could continue?

Hon Marion Boyd (Minister of Community and Social Services): I'm glad to have an opportunity to talk about this because it is, as the member suggests, causing great concern to service providers and clients and to the ministry staff as well. Certainly, it is not our intention to withdraw services to needy clients and their families. We recognize that these clients have needs and that it is important for us to meet those needs to the best of our ability.

The triministry funds, which were originally intended to offer support and supplementary services to the developmentally handicapped who were living in nursing homes, were always intended to be withdrawn as those folks moved out of nursing homes and into the community.

They were always intended to be gradually returned. They were seen as an interim measure.

Unfortunately, some of those funds were used as base funding, particularly by the agency you mentioned, the York Support Services Network, and that's a situation of long standing, I believe, previous to your government's tenure as well as ours. That is creating some of the problem, fiscal dollars being used as base funding to support an agency, which has been an excellent agency in terms of the work it has done, in terms of the confidence it has built in the community and the level of service it has been able to offer.

We were intending, certainly, had we got the full funding for year 6 and year 7 in the multi-year plan, that those folks who were in nursing homes would be back into the community over those two years. However, we were not able to fund year 6 and year 7 fully, and that caused a delay in the deinstitutionalization of those particular clients. So at the same time that we were dropping the triministry funding, we were not able to do the deinstitutionalization to the same extent that we did: two budget measures that didn't jibe and frankly should have. Our problem was, as you know, that with our highly decentralized kind of a situation, by the time the fallout of those decisions is necessarily understood, the decisions have already been made.

What we are doing is going back to treasury within the next few weeks to provide an overview of the success we've had in MYP, showing what our concern is in terms of this particular situation and a number of others that have arisen around this, looking in particular at York region and Simcoe. For one reason or another—and as you say, there are historical reasons for this—we have ended up with a lot of people in homes for special care who in the view of the service providers who now work out of a nursing home situation, require exactly the same services as do those in nursing homes.

1540

As you know, we have not been able to take as many dollars out of the schedule 1 facilities as we had hoped, because in order to maintain the care of those clients in the facilities, it has been necessary to improve some of the service. Frankly, the whole plan is out of whack and we're very concerned about that, as is treasury, and so we'll be going back and looking at all of these issues over the next little while.

In the meantime, what we're doing is working with York Support Services Network to look at how its budgetary needs can be reduced to the extent that they can, and how it might be possible for us to look at reallocations of other program dollars in order to maintain the integrity of that agency. But we are very well aware of how serious it is.

Mr Beer: If I may continue, and again I know that they met with you, as did representatives of the community services council in trying to go over what some of the

problems are there. It's important and I know I wasn't aware. I was looking at, I think, something like 28% of the provincial total of developmentally disabled persons are in York and Simcoe, which is a strange figure but relates to the fact that that's where accommodation was being developed.

As you say, in terms of the year 6 and year 7 of the multi-year plan, in terms of the problem of having facilities ready to go in Simcoe county, people wanting to go but not being able to move in, one of the things that York Support Services Network did, which I thought was interesting, was it had a kind of a focus group with the various people who—this awful term, consumers, but the people who are there—

Hon Mrs Boyd: Self-advocates.

Mr Beer: Right, and homeowners and family members, and I guess it is always hard in terms of that expression "case management." We get into a sort of jargon, but when you looked at what people really felt they'd gained from the help those people offered, and again, just talking to those at Newmarket and District Association for Community Living and Georgina, the difficulty here is that if this program goes—the focus is on the people whom it's going to help—clearly the difficulty is, what do you do? There are not a lot of new dollars, if any, but I think this particular case is one where, clearly, if there isn't some solution found, developmentally handicapped adults are going to suffer in an inordinate way because of the numbers that are there.

I appreciate that you mention you're going to be talking with treasury officials. I think the time line here becomes important as well, as people try to determine what to do with their lives and whether they are going to have a job or just what will ensue. I don't want to put words into your mouth, but is it realistic that we could expect to see some proposal before the end of this calendar year?

Hon Mrs Boyd: I certainly think that's our goal, to ensure that there is some regularity to it. The member may recall that I have been in the position of the executive director of an agency that was being defunded, so I have every sympathy with the staff of the agency.

I want you to know that letting an agency like this go is particularly serious to us in the ministry because York Support Services Network has developed a service that is very comprehensive. It has been a good consulter of the whole community, as you suggest. It is very much the route that we see ourselves wanting to go in terms of case management. Their insights into the whole issue of case management and advocacy on the part of clients has been very valuable, and because of the nature of their particular agency and the way in which they've developed the community base that they've developed, they are very much the kind of model we might want to preserve.

One of the things we will be doing is looking at what flexibility we have in terms of encouraging diversification and modelling among our community agencies, and seeing if there is some opportunity for us to give them some additional support through that resource as well, because they have been very responsible for leading a concerted

and very integrated community response to the very high needs, as you say, for the individuals in those counties.

Mr Beer: I appreciate those remarks, and I'll just end. I think we look forward with an optimistic air as we work this out. Again, in terms of this initiative, the impact not only on that particular organization but as well on the other developmental associations, the community living associations—because what has developed is a whole—you reach a point where you think you're starting to have an impact.

It's difficult, in terms of where those dollars would come, or how to deal with priorities, but it does seem to me that in the case of Simcoe county and York region, this function and these services provided by York Support Services Network and the community living associations, we really have been getting somewhere, and I just feel, in terms of the total budget of the ministry, that there would be some way in which we could find some funds to ensure that these services continue.

Hon Mrs Boyd: If we can get treasury to commit to the additional funds we need in order to close some of those nursing home beds, and we know that those will be available if we can get a commitment that they will be available in 1993-94, that will also resolve some of our issues. It takes about six months' planning to move people into the community, and it would mean there could be some more orderly planning in terms of those who are working directly in the nursing homes in the area, as well as York Support Services Network.

Mr Beer: Perhaps I could ask the Treasurer a question in the House to assist in this.

Hon Mrs Boyd: Perhaps you could, but you'd better wait until we've had a chance to fully brief him on our problem.

Mrs Yvonne O'Neill (Ottawa-Rideau): I'd like to continue. It's somewhat related, Madame Minister. Last week, I had the opportunity to meet with the St Clair Regional Association for Community Living. They presented me with their critical policy issue paper which no doubt you have. I feel that in conjunction with the news release that we had of last April—and perhaps you can update me on that—where another group of community living people actually withdrew from the multi-year plan, the statement that I bring to the attention of the committee is that the more recent delay and uncertainty of the ministry's commitment to the multi-year plan has left groups struggling with their identity and their role.

I wonder if you could allay some of the fears that are out there. First of all, perhaps you could begin by updating me on whether the group that withdrew in April has come back in, and the only identification I have is that it's the Ontario association, but I understand it's not all branches of the Ontario association, so maybe you could bring us up to date on that and then respond.

Hon Mrs Boyd: If I'm correct about what I think you're referring to, if you recall, the previous minister had announced, given the concerns that were being expressed by friends of the facilities and by some of the self-advocacy groups and so on, that we were going to have a number of forums around the province to get together and discuss all

the varying views on this. I think everyone is quite well aware that everyone is not convinced that deinstitutionalization is necessarily the best thing, that there are groups of parents who believe that the changes in the facilities could be such that their relatives would be happier and safer there. They have concerns about some of the freedoms and some of the responsibilities that people have when they embark on community living, and they really are concerned that their children and their loved ones may not be able to live fully within the community. They're afraid of the isolation that sometimes occurs. They're afraid of their not having a peer group. So there are a lot of concerns with that group.

1550

Obviously, our employee groups have real concerns around the depopulation of the facilities, because it does involve a shifting of jobs. Some of the self-advocates are very concerned because they feel they're not having enough say in terms of how the whole planning process is going on. They feel that people are making plans for them instead of with them, and they have concerns that they have more say.

So there's quite a diversity of views about how the whole multi-year plan is working, and what we wanted to do was have a number of community forums where we could, all together, express those views and really get them on the table and talk. The Ontario association was not happy about being part of that kind of a public forum because it was concerned about the conflict possibilities in that forum and was afraid that it might take away from the commitment of the government to the multi-year plan. Some groups did participate, as you say, and certainly some community-based groups as well as self-advocates, and certainly both OPSEU and CUPE were involved, as well as a lot of ministry staff from both the central office and the various regional offices. There were two of them; one was held in Peterborough and one was held in Kitchener-Waterloo.

We have the responses from those. Although they were useful in terms of getting the different views out on the table, I think the general consensus was that the model was not focused enough to learn anything more than we learned from the two forums. So what we did in the last month was bring together all those groups around a table—two representatives, at least, of all those groups—here at Queen's Park to talk about where we go from here in terms of really looking at how it has gone so far, what has gone right, what has gone wrong, what we can do to ensure that the moving of people into the community is more positive and that some of the fears of the parents who are most concerned are allayed, and yet not hold up the process. We don't want to keep on doing something if in fact we can't ensure that there is safety for the individuals, and that seems to be a major concern of both our staff in the facilities and the friends of the facilities.

So we had a very successful meeting in which we certainly had some frank talks and very frank disagreements about different points of view, agreed to carry on the discussion in the light of how we could deal with some of the problems that had arisen, but in fact came to a lot of

agreement about what our concerns were, and that was the thing that was impressive. Whether it was the APSW workers, whether it was OPSEU or CUPE, whether it was the OACL, whether it was People First, all the groups around the table were expressing the same sort of concerns, and we agreed that since we were all concerned about those issues, we need to sit down and problem-solve around how to deal with them, given the dollars that we have.

One of the issues is that there are far more people in the community who have not been in facilities than were anticipated at the time that the multi-year funding was planned, and so we have aging parents whose concerns for their children are really grave. We end up having to place people on an emergency basis because of something happening to those care givers, as opposed to an orderly kind of planning for people to assume a different kind of supported lifestyle, and at the same time, the dollars that we were to put into it were supposed to come out of the facilities.

So we're in that kind of crunch, and that's why we need to go back to the treasury board and explain exactly how necessary it is for us to really relook at the amount of funds that are needed, explain that those emergencies are going to keep happening and that as we gradually move to close the facilities that have already been announced as closures we need to be finding ways to get those dollars into the system as quickly as we can.

So that's where we're at right now, but it is of deep concern to people from a lot of different points of view. You may know that we have given notice to a large number of people at Muskoka Centre, at Northwestern Regional Centre and at D'Arcy Place, although we've got a little hold on D'Arcy Place while we're looking at diversification and devolution, and that's happening right now.

So we are moving ahead with our planned deinstitutionalization, but it certainly isn't going as smoothly as either people working in the facilities or the relatives of our clients would like.

Mrs O'Neill: Thank you. I have one question also on page 57. It's on the same subject area, the same people in need. I just wondered if you could say a little bit about—it looks like a major increase in allocation to the assessment training and support for disabled on page 57, under "employment services and supports."

Hon Mrs Boyd: Yes, this is the change in the sheltered workshops funding.

Mrs O'Neill: The sheltered workshops is just above the line I'm referring to. It's a 26% increase in assessment, training and supports for disabled. I just wondered what that stood for, what we're talking about there.

Hon Mrs Boyd: The 26% increase?

Mrs O'Neill: Yes, in that area.

Hon Mrs Boyd: A lot of it is a realignment of some of the work that has been done, as I read it. Perhaps I can just defer to the deputy for a moment around the particular issues. I think it is moving some of the dollars from the sheltered workshops into the supported employment line, the assessment of how to do that and how to move into those lines. That's my understanding.

Mrs O'Neill: Madam Minister, I would really like to clarify this. I did bring them up to date on what you said last Tuesday about sheltered workshops, but there are still an awful lot of questions about where the money has been moved. If that is this area, it would be very helpful to the people who write me to be able to say to them, "This is what has happened." It looks like a big increase. The disabled, as I say, have very serious needs. But I do think we need to try to pinpoint it.

Mr Charles Pascal: Part of the answer has to do with the realignment of the \$36-million expansion fund, as the minister has already reinforced. I'll defer to the acting assistant deputy minister of corporate services for the details, but I believe a large portion of that had to do with the vocational rehabilitation services component. But if I can, I'd like to ask Barbara Stewart to answer the details.

Ms Barbara Stewart: That's the case, indeed. The final year of the three-year initiative to expand our employment initiatives came into effect. We put over \$2 million into that assessment training area in order to deal with some of the waiting lists involved with participants in that program area.

Mrs O'Neill: Did you mention that vocational rehabilitation has also been given extra stimulus there?

Ms Stewart: That actually is the area where a lot of the vocational rehabilitation funding is found, so that's the program line where you'll see those implications on the vocational rehab.

Mrs O'Neill: Is this connected with the thrust of not sending people to the United States for vocational rehabilitation, or is it something entirely separate?

Ms Stewart: Not directly, no. It would be separate. Those would be plans in place prior to it.

Mrs O'Neill: Okay. Have I got more time now, Mr Chairman?

The Acting Chair: Yes, you have about six minutes.

Mrs O'Neill: Okay, if I may go to another area, then, I would like to—and I'm sorry I wasn't here last Wednesday. I haven't had time to go over every word that was spoken, so I'm not sure some of this hasn't been asked. If it has, please let me know.

I'd like to go to the income maintenance—I guess it's page 35—and questions arising from that. As I mentioned in my response to the minister's opening remarks, have we have had an update on how many social assistance recipients have taken jobs from Jobs Ontario? I have very scattered reports from some communities in this province. In connection with that, because it was announced almost simultaneously, how many children have accessed child care spaces as a component of the Jobs Ontario? Have we got an update as of September 30 at this point on either of those two statistics?

1600

Hon Mrs Boyd: We can get that for you, and I think it would probably be better for you to have it in printed form.

Mrs O'Neill: Right.

Hon Mrs Boyd: We can certainly get that for you.

Mrs O'Neill: Okay.

Hon Mrs Boyd: We get a weekly update, just so you know, so we may actually be able to give you something more up to date than September 30. We'll just have to check with the jobs strategy people and ensure that we can.

Mrs O'Neill: Thank you. If I can go to page 63, then, this is a little broader title, but I'll start on it now, and that is the community counselling and support services. We seem to have an increase there of the adult group homes, interpreter, ministry act payment counselling services; almost every area of this budget seems to be up. I'm wondering what thrust, what programs, this is affecting. Then I have some more specific questions. I guess the 27% increase and the 40% increase to the adult group homes would be where I'd like to start.

Hon Mrs Boyd: I think there are two major issues. This is an area where there are increasing pressures, as I'm sure all members of the Legislature know, because we all hear in our offices all the time about the difficulties people have in terms of getting the supports they need within their community, non-residential supports they require.

If we go down, as you know, one of the areas that was funded under this area was the access to permanent housing committees, and we were in the process of allocating that back to Housing, where it more properly belongs, but we needed to share the year for a transition fund, and that has occurred.

We had special pressures this year because of the training schools and the disclosure of sexual abuse. Our ministry took responsibility for the special counselling needs of the survivors at St John's and St Joseph's, and also some of the job of coordinating the funding and the efforts for the survivors of Grandview. So those are another element of pressure.

Mrs O'Neill: If I may just stop at that, Madam Minister, you say "took." That's the past tense, and that's one of my concerns. Is this ongoing?

Hon Mrs Boyd: As you know, with the St John's and St Joseph's group an agreement has been reached, which was ratified by them. Under that particular program there is a commitment by the government to levels of service to those survivors, up to a certain personal amount for counselling within communities, and that certainly is a commitment.

Mrs O'Neill: And that's what's in this budget?

Hon Mrs Boyd: Yes.

Mrs O'Neill: Now what about Grandview?

Hon Mrs Boyd: Grandview? Because things are still early days, the implication of the agreement is certainly that in the short run the kinds of supports that were given to the survivors of St John's and St Joseph's in terms of organizing themselves into support groups, the kind of thing Helpline did for a lot of those survivors, we are funding in the meantime. We hope that we will be able to reach an agreement as time goes on, but as you know, that whole situation is still in the investigatory stage and is not nearly as far along.

It's a much more complicated situation, because the former residents at Grandview seem to be much more scattered and may in fact have a much more difficult time of disclosure. We're well aware that we're going to need to be patient and to be allocating resources as time goes on to assist them.

Mrs O'Neill: I'm really quite sorry, Madam Minister, that you're making some of those statements, because I don't think they're any more scattered, but we may discover more about that as we continue to talk.

I understand that the counselling for Grandview survivors at least changed, if not ceased, at the end of August. That is pretty updated information I've received from people who are pretty involved with them. If that's the case, it's certainly quite serious.

Hon Mrs Boyd: It certainly is, and it is not my understanding. Perhaps you would like to—

Mr Pascal: Mr Chair, if, in fact, the member has some information that we're unaware of, I'd be very grateful to get more specifics about it. To the best of my knowledge, there has been no gap or cessation of counselling.

Mrs O'Neill: Well, I will definitely provide the information once I check it again.

Hon Mrs Boyd: We would be very grateful, because it certainly isn't our agreement with them.

The Acting Chair: Continuing the rotation now with the Conservatives, I believe Mr Wilson is going to start off.

Mr Jim Wilson (Simcoe West): Minister, I want to begin my questioning by going back to the area that Mr Beer was discussing with you earlier. I too have had representations from and meetings with York Support Services Network, Georgina Community Living and community living associations in my riding representing both Collingwood and South Simcoe county.

Your recent announcements of both the triministry and workshop cuts to the developmentally handicapped sector are being implemented as we speak. Both decisions were made with virtually no consultation with the developmentally handicapped service sector. Consultation after the decisions are made is not acceptable.

How can you proceed with these massive changes without knowing what viable service models will replace these programs? Do you have any idea what the alternative costs will be for new service models and, more importantly, does your ministry intend to fund alternative service models, and, if so, why has this not been announced?

Hon Mrs Boyd: In fact, the member should be aware that the deputy and I and the ministry staff have been consulting widely in all of our communities around the province at such things as our Tables of Diversity, where we talk about the varying needs we have within our ministry and, indeed, in government to look very seriously at the expenditures in every line.

It would be nice if we were able to exempt, first of all the whole ministry, but secondly, some of these areas of particularly high vulnerability, particularly where there has been an unevenness in terms of the distribution of our

client population and some unevenness in terms of the numbers being served in particular areas.

You are quite right when you say that we certainly need to be open to looking, as we reduce, at special needs that arise that may not have been taken into consideration, and we will do that. But quite frankly, in terms of pre-consultation, we have had a number of different sessions dealing with these programs with the various participants. No one, of course, has agreed to the reduction of budgets. When you're affected you don't agree to that, and that's not very helpful from our point of view.

What we have had to say is, given that we have had to reduce our budgets, we have been consulting with them about how to make that as acceptable as possible to the various organizations that are presenting. We find that the associations for community living have been very responsive in terms of, first of all, outlining the specific problems they face and then looking at some of the solutions we might have.

Your concern about whether we may find ourselves incurring more expense rather than less as we change these programs is one of those issues that always keep government from changing anything. We all know that's a concern, and sometimes needs are different than are first anticipated when we begin services.

The issue around the sheltered workshops is, from our point of view, a very clear one. Many of the ACLs have already declared themselves very clearly and have taken action to move away from the sheltered workshop model. They make very strong representation that that is the route they ought to be pursuing and they argue very strenuously for that view among their colleagues. Some have even withdrawn from the Ontario association because they feel there is not enough attention being paid to that concern.

We took \$5 million over two years out of that particular line and reallocated \$2 million into the supported employment line because we believe it is in better concert with the whole thrust toward employment equity that this government feels very strongly is the best route to go.

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We announced too the pilot projects that have been trying out the wage policy proposed by the previous government, but we did not intend to go ahead with an enshrined lower wage for the developmentally disabled; we felt that was entirely contrary to employment equity. Instead of that, we felt we needed to be putting our resources towards supported employment within the community rather than the segregated workshop concept, which certainly has been useful and in some communities continues to be useful as part of the vocational training, but increasingly is under attack by self-advocates who see it as being potentially exploitive of them, potentially preventing them from moving on, once they gain the skills, into other forms of employment. That is the reason behind the reallocation.

Yes, there is a net loss of \$3 million to the workshop line, and that is serious. Our associations are having a hard time coping with that. We're very empathetic, but in the light of the budget cuts we're forced to make, given the fiscal circumstances, to maintain as low a deficit as possible, those are the kinds of tough choices we did have to make.

Mr Jim Wilson: Minister, I guess we have a fundamental and very important difference of opinion, to say the least, when it comes to sheltered workshops. I'll get back to that again in my next question.

Following on the same line, I want to know how you can proceed with massive cuts to community living service within the developmentally handicapped sector on the one hand, while staff-client ratios in institutions like the Huronia Regional Centre are approximately 980 staff to 640 clients. You know you cannot sustain the community living concept without downsizing the institutions. Why is this not happening more rapidly so that moneys can flow from institutional budgets to community budgets? Is pressure from the unions undermining your government's ability to support the new community service system?

Hon Mrs Boyd: I can understand why you would be concerned about that. As I mentioned before, we have given notices to, I believe, 352 staff at schedule 1 facilities. We do understand that of course, until we look at that downsizing, it is going to be hard for us to get the dollars into the community line, and it has been harder than was anticipated when the multi-year plan was put into place. We make no bones about that; we know that's the case.

One of the issues that has arisen is that there is a great deal of pressure from the parents and relatives of those people who continue to live in facilities, who feel that the ratios are not adequate for care for those clients, who feel that the quality of living is not appropriate. We have undertaken a quality-of-life study to really look at the comparative levels of quality of life for people within the institutions and for people outside so we have a better idea, in terms of quality of life, what our per-unit costs are in order to achieve the same results. We are looking at that.

I understand your concern. I certainly have a concern, but the intensive kind of work that needs to be done with an increasingly serious level of disability for those who are left within the facilities means that we have to safeguard them and ensure that we're offering appropriate services. Instead of closing large parts of these facilities in order to achieve a better quality of life, the facilities are being largely used in a less intensive way in order to improve that quality of life. That is something that is highly supported by the relatives and friends of the facilities, and that certainly creates real difficulties for us. It means we don't get the economies of scale out of the deinstitutionalization that were anticipated at the time the funding was planned.

Mr Jim Wilson: In view of your ministry's efforts to virtually decimate all day programs by virtue of workshop cuts and triministry cuts for community living associations, particularly in Simcoe and York counties—I believe you've abandoned them all to your plan—how do you answer the parents and developmentally handicapped clients who believed this government when it said that the community living service system would provide adequate support for people depopulating from nursing homes and institutions?

Hon Mrs Boyd: We certainly intend to do that. We are not sure that the way it was originally planned is in fact achieving that, and that's exactly why we are looking at

what we have achieved in terms of the depopulation, what has actually happened to those clients in the community, whether their quality of life is better.

It is a good point, when you're nearing the end of a first implementation plan, to really evaluate the success you've had. I simply reject your notion that we have desecrated the day program area, because \$5 million out of approximately \$35.7 million over a two-year period, with \$2 million of those funds going back into supported employment, is hardly desecrating a whole program.

It is certainly making it difficult for some of those services, and we recognize that. We are trying to work with them in the best way we possibly can to help them understand, first of all, what our needs are, and they're facing the same problems we are with their costs and their lack of revenue. We're all in this together. We don't see it as our doing something to them, but as our working with them to try and solve what is really a mutual problem.

Mr Jim Wilson: Mr Chairman, my last question is rather lengthy, but I think it's important for the record and particularly important to hear the minister's response.

Minister, as you know, your recent arbitrary directive—which, incidentally, was made without consultation with the transfer payment partners—to recover \$9 million in triministry moneys from the system will result in an average of a 12% across-the-board cut for many agencies, the hardest hit of which is in Simcoe county. This is an unprecedented and grossly unfair treatment of agencies that responded to the ministry's request some 10 years ago to provide day service to severely developmentally handicapped people. Over 870 multiply handicapped people in Simcoe county alone, with one stroke of the pen, have theoretically—and it'll be effective April 1, 1993—had day service removed. For these agencies to maintain any semblance of service, they will need to literally cripple their ability to function. Staff-to-client ratios in community living associations are already too high in many cases, especially compared with those in institutions, and many of these organizations were forced to restructure at great cost due to the ministry's pressure for them to grow without due consideration for administrative infrastructure.

These agencies have asked you through the area office to consider a global cut across the province as a much more viable solution to your search for recovered funds. I want to ask you, have you looked upon this option favourably? If not, how can you justify the tremendous inequities in the service system that this decision will create? Can you realistically expect that through some miracle these people can still be served while their entire budget is being removed?

Hon Mrs Boyd: I think the answer I gave to the member for York North answers some of your concerns. I certainly agree with you about the seriousness of the impact of this particular cut in those particular regions, and that was not anticipated at the time the cuts were made. As I say, there were two things that happened at the same time.

We are looking at all of the options you mentioned with the groups involved. They are looking as a community at the various options they have within their community.

They have certainly brought us the suggestion that this should be looked at in terms of the global budget, and we are certainly looking with them at the various options.

It is certainly not our intention to cut the services that are required in the area, particularly given, as the member for York North pointed out, the very high needs that there are in those areas. As I said to you, there are a number of different actions we're taking and we do take it very seriously. We will certainly keep the members who are involved informed, because you need to have the most up-to-date information.

Some of the stuff that has come out in terms of the newspapers and so on has added further to the sense of uncertainty of families. As you may be aware, the executive director of the York Support Services Network has written a letter—I suppose a news report—that said, "Funding Threatens to Close Agency," talking about what we are trying to do and talking about the good cooperation they are finding between our office and between their colleagues within the area.

There is a real effort to find solutions that are not going to take a real toll on either the clients themselves or their families or those who are working in the field. You're right that the ministry did encourage the expansion of those agencies. We see our responsibility in trying to maintain them at this point.

Mr Jim Wilson: Minister, I appreciate your response, but I'll be watching very carefully and certainly taking you up on your commitment to keep the members of Simcoe county and York region better informed, because to date you've not done that. But I thank you for your response. I have no further questions.

1620

The Acting Chair: I believe Mr Murdoch wanted a question before Mrs Marland.

Mr Bill Murdoch (Grey): My community living people have also been in to see me about the same questions that Jim just had, Madam Minister. You have a copy of a letter I received recently, but I doubt if you've had a chance to look at it yet, because I just received it. They have some questions, and I'd like to ask you one of them and see how you'd answer, because they're asking me to answer it.

"We have just recently been informed that \$31,500 will be taken out of the three vocational budgets in Grey and Bruce, retroactive to April 1, 1992, with a similar cut expected next year. Affected are Owen Sound, Meaford and Walkerton associations.

"For Owen Sound, this means a reduction of \$6,500 this year. The announcement of this reduction six months into our year and the knowledge that we will face a similar reduction next year leaves us with little choice but to terminate the employment of at least one of our staff. This reducing of our workshop staff will reduce the quality of the support that we can provide."

How are we going to answer these associations when this is happening? I just wanted to ask, you did mention that you took \$2 million of the \$5 million, but where did the other \$3 million go?

Hon Mrs Boyd: The other \$3 million was a constraint exercise; I was very clear about that. Indeed, if you look through our estimates, you will see that none of our areas have been considered to be sacrosanct. We have had to take cuts in all of our areas in order to meet our targets for constraint. So there's no question that there's a constraint exercise going on and that there will be an effect this year and next year on programs. We are well aware that in some programs that may have an impact on the staffing that's available, but under the circumstances in which we find ourselves, it is almost impossible for us to do anything else but offer as much support as we can to our agencies as they look at how to constrain. They need to constrain, as we do. Our incomes are down; their incomes are down.

So part of what we're doing is trying to plan in a more orderly fashion and look at how some of the slack can be taken up in other ways, but it's a very tough transition. Our increases in this area have been extraordinarily high over a number of years. People are used to increases in their budgets of between 10% and 20% every year. It is impossible, in a year where we have the kind of fiscal situation that we have, to achieve that, and it is important for our agencies to understand that we know there is going to be real difficulty for them in meeting some of these targets, just as there is for us in our own facilities. We're well aware of that, so what we are trying to do is help them to constrain in the context of community planning.

The Acting Chair: Mrs Marland, I believe, is next.

Mrs Margaret Marland (Mississauga South): Madam Minister, I would like to take you back to January of this year. At that time, we had a meeting in your boardroom with the Fair Share for Peel Task Force, which consists of the United Way of Peel region, the Social Planning Council of Peel, Peel children's aid society, Family Services of Peel and the Peel Children's Centre.

The task force was formed, as you know, in 1990 to address the province's chronic underfunding of community and social services in Peel. For instance, in 1989 Peel received \$46.18 per capita from the provincial government for children's services, compared with \$150.58 for Metro Toronto and a provincial average of \$105.30. The Fair Share for Peel Task Force is endorsed by many related social service agencies and by all the MPPs in the region of Peel, of which there are seven.

Minister, recently I wrote to you asking whether any further efforts had been made to reallocate provincial resources in order to ensure an equitable distribution across the province. In your response you said:

"This year's funding allocations do not address the current inequity of funding in children's services. The ministry will be developing an equitable funding approach in children's services within the context of the policy framework for children's services funded under the Child and Family Services Act. Developmental work on this issue involving this ministry, service providers and other stakeholders will commence some time this fall."

Minister, could you please provide an update on this developmental work? As well, could you indicate whether region-to-region funding inequities in the areas of child

care, child welfare, services to developmentally disabled persons and family services will be addressed during this review?

Hon Mrs Boyd: I'm very pleased to have an opportunity to speak to that, because the issues that were raised by the Fair Share task force in Peel are similar to the issues raised in other fast-growing areas of the GTA. York region has made a similar representation to me, and I'm very empathetic with their concerns.

My understanding of where we are right now is that the consultation means that we are wanting to have with all our partners out there in the communities have gone to the interministerial committee to ensure that all the ministries are well aware of their commitments under a strategic plan to look at funding in children's services. That is what we're wanting to do, to formulate a strategic approach to this, looking at the whole envelope of funding that goes to children's services for each area and looking at how within that funding we can use our dollars most effectively. As you know, there is a lack of coordination between various agencies, and that has frustrated a great many of our colleagues.

In that strategic plan we are also looking at how we can do a more equitable funding formula that takes into account all the factors. One of the issues, of course, is that the current level is not as sensitive as we would like to such issues as those who are living under the poverty line, those who are living in single-parent families and those who are of different cultural and language backgrounds. All of those are problems that your group talked about as being very prevalent in many areas of Peel.

It is quite clear that our funding needs to be done in a way that takes account of those things but takes account of them in a way that looks at all children's services. Right now we have different formulae for different kinds of services. The encouragement is for people to dump clients from one service to another if they can't serve them fully in their own service, and that creates real difficulties for us.

So that is going ahead. Once we have interministerial sign-on we are certainly looking at distributing the draft strategic framework to all of our partners out in communities and to getting their feedback on some of the very serious questions of how to accomplish this.

The deputy and I, in going around the province, have been discussing this with various communities. We know that our communities have a lot of creative suggestions about how it can work and how it can be flexible enough to meet the diversity and yet be fair in terms of the allocation of resources.

Mrs Marland: I think the thing is, Madam Minister, that children are children. The circumstances that children face in the region of Peel today are certainly no different than the children in Metro, yet we've got this gross inequity in terms of the support from the provincial government, a difference of \$46.18 compared to \$150.58 in Metro. Even taking it away from the provincial average, if you just look at the difference between the region of Peel and the city of Mississauga alone, which is a city of 500,000 people, half a million people, our needs are definitely the

same as the needs for children in Metro. I think it's fine to go ahead with the review and to try to come to grips with the problem, but I think what the Fair Share for Peel Task Force needs is some commitment very soon that the inequity is going to be remedied.

Hon Mrs Boyd: One of the things that I would like to remind the member of is our discussion about the lack of social planning and the lack of service planning that has gone on in our fast-growing areas and how that has skewed some of that funding. That is certainly a subject of real concern in terms of the Sewell commission report and the look that we're having at the need to do social planning at the same time that we do land use planning and to ensure that social planning becomes part of the expansion of our various areas.

Mrs Marland: Madam Minister, unfortunately, because of time, I'm feeling very frustrated, because I have a number of questions that I wanted to ask you today. I don't know whether the best thing is for me to read these questions into the record, and if you don't have time to answer them all—

The Acting Chair: You have six minutes left.

1630

Mrs Marland: I think maybe what I'll do is read my questions into the record and then I could get an answer from you. If not, if there isn't time today, I could at least look forward to having an answer from you in the very near future.

Recently, I wrote to you about the funding of new spaces in existing non-profit centres in terms of child care. I have not yet received a response, so I want to raise this issue again today.

We already have a two-tiered child care system in Ontario. The non-profit centres receive capital and wage enhancement grants that are not available to private centres. New spaces in private centres are not eligible for direct operating grants and all new subsidized spaces are being allocated to the non-profit sector only.

Now it appears that we have a three-tiered system in the making. I have been approached by an existing non-profit centre, I want to emphasize, that wishes to expand its capacity. However, this centre has been advised by your ministry that no grants will be available, neither direct operating grants, wage enhancement grants nor capital grants. The lack of capital grants seems particularly strange given your government's promise in the 1992 budget to fund 20,000 more subsidized child care spaces.

Minister, could you please explain your ministry's policy regarding the funding of non-profit day care spaces? Why are existing non-profit centres being told that they will not receive any grants from the ministry for new spaces? Are all the 20,000 new subsidized spaces going to be located in newly constructed centres? Would it not be more cost-effective to add them to existing centres?

Second, on September 1, 1992, your ministry issued a news release announcing the creation of 42 in-school child care spaces in the new St Thomas More Catholic secondary school in Hamilton. The Hamilton-Wentworth Roman Catholic Separate School Board is receiving grants totalling

\$105,038 from your ministry: \$61,756 in capital to be used for toys and equipment and a \$43,282 startup grant to cover initial staff and operating costs. These grants are on top of the \$470,000 the school board received from the Ministry of Education to construct the child care centre.

Minister, in 1991, 12 day care centres, six private and six non-profit, closed down in Hamilton-Wentworth, yet your ministry is funding a new centre. In communities across Ontario, we have similar situations where new non-profit centres are opening despite there being vacancies in existing centres. Given the extreme shortages of funding in other areas under your jurisdiction, for instance, child services that I've just referred to under the Fair Share for Peel Task Force, child welfare programs for developmentally disabled persons, which is another area I want to ask you about, why is your ministry funding new child care centres where there already is an excess capacity in the system?

Finally, a question I have raised before and want to raise again. In July of this year you responded to a letter from Emil Kolb, who is the chairman of the region of Peel, which requested funding to renovate Sheridan Villa home for the aged located in my riding. In your letter you noted the constraints on your ministry's capital funds and said that since the ministry was funding 50% of the total cost to downsize Peel Manor, which is another home for the aged in Peel, you said, "I do not anticipate that additional funds could be provided to the region."

Chairman Kolb wrote back on July 30 that Sheridan Villa has legitimate renovation needs, which I personally can substantiate, having attended several functions there in recent months. It was deplorable in the heat this summer. They couldn't even leave food out because it was so hot in that building. It's not only terribly uncomfortable for the seniors who are there all day long, but can you imagine what a hell on earth it is to work in a non-air-conditioned building—this building was opened in 1974—in the kind of summer we've just had, combined with the fact that this summer they had problems with their elevators? So Sheridan Villa really had a terrible time this summer.

Chairman Kolb stated in his July 30 letter that while he understood the ministry might not be in a position to commit the funding for 1993, he would appreciate "if you could provide us with a reasonable time frame within which we might consider this joint project."

Minister, would you be able to provide that answer today? I don't really expect you to provide the answer about Sheridan Villa, but it's a very urgent, serious question in terms of much-needed renovation, so I hope that perhaps you will provide some of those answers soon.

Hon Mrs Boyd: Mr Chair, I'm not sure what our time is.

The Acting Chair: Unfortunately, we're out of time. Maybe the minister could just explain.

Hon Mrs Boyd: I will certainly ensure that you get the answers to your specific questions, and we will do that. It may be possible that some of our own members have similar questions and that you will get the answers verbally as well. In terms of the homes for the aged, as you know, many of them are of the same vintage; the problems

are the same all over the province. Our issue is trying to deal with those as they come along and as the share of dollars to a particular region becomes available.

The Acting Chair: The government wanted a question.

Ms Christel Haeck (St Catharines-Brock): As all of us have experienced in our ridings, there is a concern relating to the funding level the homes for the aged get in relation to nursing homes. I know there has been some work done in this area, but I have received a recent question again from one of the homes in Niagara-on-the-Lake, which is part of my riding. I was wondering where we are in the whole process, because obviously it is a concern not only for me but other members as well.

Hon Mrs Boyd: The first step in terms of the long-term care planning this government has undertaken is to move to a level-of-care funding that will take account of the level of care clients need rather than the facility in which they reside. We anticipate introducing and we hope to pass that legislation by the end of this sitting so that the funding levels at level-of-care funding—a modified Alberta plan, as we call it—can begin on January 1, 1993. We're well aware of the concerns that have been expressed by both municipal and charitable homes for the aged.

Mr Robert Frankford (Scarborough East): Following up on that, I was visited the other day by people from a facility in my riding which had been visited by classifiers. They were asking about what they could expect and the status of classification.

Hon Mrs Boyd: There's been a great deal of discussion with the field around the kinds of classification there would be; there's been a lot of consultation with the various providers. It will be difficult while we are doing the classification. It'll be hard for people to adjust their thinking, to actually tying the kind of care dollars to the needs of the client as opposed to the kind of facility he or she is in, but we have every confidence that it'll be a much clearer and much more transparent way for both clients themselves and their families to understand what the entitlement of care is within those facilities. We are certainly hoping that we will be able to begin that funding early.

I should tell you that in our estimates, and it's clear from this, for all of our programs that come under the long-term care area, we gave the full 1% rather than the 0.5% that was accorded to other areas, because this was an area of priority for the government; in fact, we provided interim increases to our facilities in order to try and bridge the gap that is there now in terms of the level-of-care funding that we anticipate will occur. We are trying to give them what assistance we can in the interim, but it is very difficult. This is a long-standing problem and a long-standing inequity.

1640

Mr Gilles Bisson (Cochrane South): I'd like to bring in another topic, the whole question of service for the child. You'd be aware, because I talked to you about it at one point—but I just want a bit of clarification—that there is presently a process going on in our community in Timmins where we're trying to bring under one roof all the various agencies out there that are providing services for

the child. Actually, it wasn't with you; it was with a former minister, excuse me. We had gone through the process of trying to find some capital dollars in order to integrate them under one roof; at the time, because of the budgetary constraints and stuff, we weren't able to do it.

There's a proposal we're working on now with the group, which is basically to utilize their rental budgets, pooling all that money together and using the money that would normally be paid towards rent for the payment of the mortgage on a building.

I'd like to get some sort of commitment from you, because one of the things I find, probably like most other members, is that when parents approach the system, it is really fragmented. You have to go through the experience to find out just how frustrating it is. I'm sure you're aware of it. Do you have a comment on that and what direction the ministry expects to take?

Hon Mrs Boyd: One of the things we're finding is that the creativity of our colleagues out in our communities is much greater than the flexibility within our various funding formulae.

Mr Bisson: Tell me about it.

Hon Mrs Boyd: Part of the whole issue we have in terms of integrated children's service and the movement we're trying to make with that in terms of interministerial planning, but also in terms of the planning around our own acts and our own programs, is to ensure that we allow that kind of creativity to happen.

There have been many models that suggest that if you have either a one-stop shop, that kind of thing, or a hub model where people get the integration immediately, you deliver better services to the client. It's a better client base of delivery, so we certainly want to foster that as much as we can.

Mr Bisson: Just so you know, we're getting the proper signals from the ministry as far as being willing to go ahead, but it's something that's different and there's a certain amount of resistance we're finding internally within your ministry. I'm just looking for a little bit of assurance.

Hon Mrs Boyd: It's very unusual. Obviously, we haven't funded in that way in the past and it is difficult for people to imagine how it would work, given that we've been used to funding in these silos. But we are very open to that kind of diversification and very anxious to entertain those kinds of models.

Mr Bisson: Just so you know, in this particular case, if you were to pool together the rental budgets of those five agencies, you would have more than enough money to pay for the mortgage on the building and be able to return those dollars into the programs.

I would be remiss if I didn't ask this question: What's happening with the francophone day care centre in Timmins?

Hon Mrs Boyd: I knew you would ask me that question. I don't know the latest in the blow-by-blow description, but I will try to let you know tomorrow exactly what is going on. There have been some clear indications that agreement is closer.

Mr Bisson: I will communicate that to the group. I think Mrs Haeck had another question.

The Vice-Chair (Mrs Margaret Marland): Well, Mr Perruzza indicated that he had a question.

Mr Anthony Perruzza (Downsview): Mine is actually very brief. It relates to a comment you made, Madam Minister, about how social planning has to be consistent with land use planning. Something that really bothered me in my former life—I think former governments missed the boat on this one—was that some of the developers or municipalities who plan and develop areas and bring into communities large numbers of people aren't responsible for some of the social impacts that large populations will essentially require at some point down the road.

In the city of North York, when we dealt with the Jane-Finch issue, there was a development coming on stream, a big plaza. We had essentially manoeuvred the developer, without any real authority or jurisdiction, into agreeing to provide to the community at almost no cost a considerable amount of square footage in order for us to locate a lot of these social service agencies in that particular community. Lord knows, it was very much needed. But because of political intervention—I guess the prevailing sentiment that carried the day was that somehow developers and municipalities really shouldn't be in that business and that it's really not their responsibility to engage in that kind of activity.

I'd like to have some more of your thoughts on this particular issue because it is an area that has traditionally concerned me very much. I hope to see the two linked, because I think the two are consistent and compatible and should go together.

Hon Mrs Boyd: The concerns you've raised have certainly been raised with John Sewell and the Sewell commission around the way in which we plan development and how our official plans and the kinds of arrangements we reach with those who want to develop land really fit with our services. I certainly agree with you.

I'm not aware of the particular issue you raise. It is quite true that it would be a departure from past practice for that kind of cooperative venture to be done, although we do see it in some places. North York is a good example of some of the more creative ways of working with developers to renew school resources, for example, and that kind of thing.

I think we need to be open to the kind of land use. We need to be sure that it is the kind of service that the municipality and the province agree needs to be offered in an area, not something that is offered because of a developer's interest in any particular thing but as part of a management plan around the delivery of services and how that fits. That may be some of the problem that arises, that the notion of what kind of services would go together may not have involved the intensive community planning that is necessary; a good idea but not fully developed.

I'd be very interested in hearing your experiences in that particular instance, because we certainly are seeing communities come forward. In my own community, for example, in the development of the official plan, which is now almost defunct because of the need for a new official

plan, we worked very hard to try to get that community to accept a provision of land for child care whenever there was a certain number of houses to be built in a particular area, particularly in low-cost and medium-cost housing, which we might expect young families to have.

We were not successful with that particular municipality, but many community activist groups are trying to work with their communities to have that built into official plans. I think the ministry is very supportive of trying to encourage that kind of planning.

Mr Perruzza: So what you're suggesting is that something be entered into the Planning Act which will require official plans to essentially be consistent with that kind of philosophy, that social planning has to follow and be consistent with land use?

Hon Mrs Boyd: That's right. If you look at the rejection, I think it was in the last year of the York region plan, because it didn't include that kind of sensitivity, and the requirement in the new London act that requires the new official plan to include plans around social and environmental as well as land use planning, that is the direction that certainly is being suggested as a result of the Sewell commission.

The Vice-Chair: Is that it for your caucus?

Ms Haack: Yes.

Mrs O'Neill: Madam Minister, through my staff I contacted the president of the Survivors of Grandview to reinforce my knowledge I've had up to today, and it was reinforced within this hour. It was a six-month contract for counselling, and it did expire on August 31 and has not been reinstated. That was with the family counselling services across the province. I can only speak for the person who has taken an awful lot of responsibility upon her own shoulders and whose word I trust, so I brought you the knowledge you requested.

Hon Mrs Boyd: I thank you very much. I'm very deeply concerned, and I can tell that my assistant deputy minister of operations is deeply concerned, because we certainly felt that this was one that we had managed to ensure. It is certainly not in keeping with the commitment of this government in the recent agreement that was reached with the Attorney General's facilitation.

I will certainly look into it and I hope to be able to give you some information tomorrow about how this occurred and how we intend to resolve it. Interruptions in counselling are not appropriate for people who are survivors and who are in the midst of dealing with very serious issues, so I am deeply concerned about that.

I'm deeply concerned for the agencies involved, because our family services agencies, in terms of their work with survivors of St John's, St Joseph's and Grandview, have been most cooperative with the government. They have been compassionate and very fine partners in trying to deal with these very serious issues. I will try to find out tomorrow and let you know as part of the record exactly what we intend to do to resolve this issue.

1650

Mrs O'Neill: Madam Minister, you're likely as aware as I that the number of survivors who have come forward from Grandview in the last two and a half months, I would say, has almost tripled and I think they would certainly be eligible for the services. I think they have presented themselves and have identified themselves, that the services to be extended to these new people as well.

Hon Mrs Boyd: That certainly was the intention of the agreement. We knew that a surprisingly low number had disclosed and had sought services compared to the kind of supported work that was done with St Joseph's and St John's. Our concern is to ensure that indeed they are given the same level of service.

Mrs O'Neill: If I may go back then to page 63, because I really do have a lot of questions about the counselling area. I think I will ask now in writing, if I may, to have some breakdown of what kinds of new services there are. There have to be new services or else different services if there is a 40% increase in the adult group homes. I'd like to have also in written form the 27% increase in the ministry act counselling. I think it would certainly help to be more specific and accurate in what I'm giving out as information from this set of estimates.

Hon Mrs Boyd: I would certainly agree that it would be better for us to do that in writing, although I would say to you that the major area is in the supportive housing area.

Mrs O'Neill: And that's in the adult group home area?

Hon Mrs Boyd: That's right.

Mrs O'Neill: If I may to go another area, which is on page 85, and that is the young offenders. There seems to be a real concern here—I certainly have some of this in my own community and I can't speak much more broadly than that at the moment—about the real lack of service for the young offenders, particularly in the time awaiting trial, particularly I think in the secure custody, secure detention area. There seems to be in some areas the necessity to put the young offenders in with the offenders who are considered mature adults.

Would you like to say a little bit about your direction there? It looks like a 3% increase in funding. I don't know whether that's just inflation. The needs are greater here. Unfortunately, we all recognize that violence, both on the streets and in the schools and in the homes, is being carried on by young people; some not too far from my home are eight- and nine-year-olds. It's certainly a new phenomenon I think in our time. What is your ministry's policy decision regarding those young offenders and the needs that arise from them, first of all, finally getting into this crisis?

Hon Mrs Boyd: We share your concern. The 3.1% is indeed an increase that is considerably higher than we were able to do in most program lines, as you're aware. One of the major portions of that increase from year to year is the implementation of secure beds. As you expressed, there has been a rather slow phasing in of that, partly because of the kind of objection that many communities have had to community-based secure beds and our concern to ensure that safety and security standards are enforced.

The other major part of that increase is in fact the safety and security standards themselves: upgrading the safety for both the young offenders and for the staff who deal with them, because, as we all know, there have been tragic circumstances that we really needed to devote some attention to.

Also, a large portion of that increase went into some wage compensation issues, because of course we have had quite an increase in terms of the compensation costs for those who are dealing with young offenders. Those are the major elements of the increase from one year to the next.

The concerns that you express about younger children getting into real difficulty with the law are very real. It's something that concerns every community, and one of the reasons that we want to move towards integrated services for children is to try to be sure that we're having an earlier identification of the kinds of problems that traditionally lead children into a life of crime. What are the supports that they require? What are the programs that they require? How can we tell, early on, that a child is in need of support, and then move in a concerted way to do it?

Right now, because of the lack of integration in the system, we find that many young people are identified as behaviour problems by the schools, but that by the time they actually get into either a mental health program or any kind of other supportive program that's offered by our ministry, the time for preventive action has passed. We need to be working much more closely with our colleagues in education to ensure that we are starting much earlier with young people and trying to prevent these problems much earlier.

Many of the problems come out of poverty, come out of lack of supports at home. Families that are in disarray and children who are left to their own devices require attention, and get attention very effectively through some of their antisocial behaviour. This is something we all need to look at as a community, that we almost reward antisocial behaviour with attention very early on, and need to recognize that unless we find some way of getting attention for those young people that is positive attention, rather than negative attention, we're going to continue to have the kinds of problems that we have.

That's why we can't just look at the young offender problem; we have to look at the continuum of services to children from the time they are very young, probably even prenatal services, actually, in order to give supports to the parents so that they can be appropriate parents, looking at all the parenting issues that we have, looking at how we do those early identifications, either in the child care system or in the school system, and then once we've identified those problems, how we act in a concerted way to begin to work with them, not in a way that segregates the child out and treats the child differently, gives that attention because of negative behaviour, but in a way that is supportive and integrative. That's the kind of direction that we're wanting to go with our integrated children's service plan.

Mrs O'Neill: I have a couple of specifics. I guess I'll go to the integrated children's service plan first of all. You did state in your opening remarks that you have a draft

policy framework and an action plan. Are those at all public at this time?

Hon Mrs Boyd: I believe the discussion was held at the interministerial committee last week on the draft plan, and I'm not aware of the outcome of that. Perhaps someone who is at the committee can let me know.

We are waiting for a real commitment by all the ministries involved, and there are a lot of them, before we send that out for general consultation to our colleagues in the field. But we are hoping by the end of this month or early next month—our action plan actually had us doing it, I think, on the 29th of October, if I'm correct—to send that out to our various stakeholder groups for comment and for some advice about where we proceed in terms of moving ahead.

We also have indicated to them that we want to facilitate some of the actions that they've already taken as communities, and we will be announcing ways in which we can do that, to reward people for having the courage to take the risk to deliver in a new way. That's part of the problem right now; it's not a reward system for taking risks. You may lose funding if you decide to share funding. We have to help people to think in a different way, and we'll be announcing very shortly how to do that.

Mrs O'Neill: We certainly have had quite a bit of interest in this, and certainly the communities, particularly in southwestern Ontario that you're likely as familiar with as I, are really awaiting that.

I'd like to ask you, because you did—and I'm sorry if I use a word that I really don't like using—but there seem to be an awful lot of platitudes in what you said about the young offenders, talking as far back as prenatal. We have a problem where there's a real need for beds and I don't think you answered that question. I'm sorry; I'd like a more specific answer. Are we directing money into—because this is really part of the rehabilitation; it's much more than a bed when you're talking about a young offender. It's different than talking about a hospital bed. Could you say anything to the communities which seem to be having their resources absolutely stretched, and professionals who, I think, are being led to place people where they know they are going to be getting less than the very best?

1700

Hon Mrs Boyd: It's certainly an issue that we need to address in terms of beds. You know that there has been overcrowding. Some of the situations that we have observed and that people have been concerned about at Syl Apps, at York Detention, have come because of some overcrowding, and that is certainly concerning us.

What we are doing is working to see what facilities are available within the overall resources of the government now, without the building of new facilities, and seeing if we can't find ways to reallocate some of those resources to meet the needs better.

You've mentioned something about young offenders being in with older offenders, and of course in the part of the young offender group that is led by Correctional Services, that has always been a very deep concern. But it's also a concern for us that we don't have the flexibility within the

young offender group, between the ones who are under 16 and the ones who are over 16, to use beds in a way that is most appropriate to them and closest to their own area. It's not very effective to take kids far away from their families, and what we're trying to do is help them to become rehabilitated back into the community.

So we're looking at how we can work more closely with Correctional Services, how we can safeguard children. The age differences were there in the concern that the same problem might happen between various groups of young offenders as happens between adult offenders. We are working very hard with our colleagues in Correctional Services to come up with some of the answers around the more efficient use of the spaces that we have. We are, as I say, phasing in better bed implementation and trying to do that in communities, but it is a real problem in times of scarce resources. There's no question about that.

Mr Cameron Jackson (Burlington South): Why are you using private sector—from schedule 2—housing then? Why commend the minister for that?

Hon Mrs Boyd: It's not our choice.

Mr Jackson: Oh, it isn't? Is there something wrong with it?

Hon Mrs Boyd: No.

Mr Jackson: Oh, good.

Mrs O'Neill: Madam Minister, perhaps I can go back to the income maintenance, which is on page 35—I don't think you need to turn to that because this is an initiative that you announced in May, I think it was—and the addition of the 450 new staff. That seemed to be tied in with the budget and the realization of a \$300-million savings, a—what should I say?—closer watch at what was going on with the distribution of social assistance across the province. Can you tell us a little bit about how successful those extra people have been and whether there really has been a more efficient use of the social assistance funds?

Hon Mrs Boyd: We certainly believe that there has. Two hundred of the new staff had been hired by the first of August, and instead of doing what had usually been the custom and trying to allocate those out equally to areas, we decided to target those areas where our highest case loads per population existed. So we did target those folks.

The new staff have a number of particular functions. One is to assist with transition to employment through what we call front-door screening. That means, when someone comes in, assessing not just their income but exactly what are their abilities, what are their desires, what would they like to see themselves doing, right off the bat, and trying to do some facilitation of referral for them so that they are able to pursue what they want to do right from the beginning. That certainly was a major recommendation of the Transitions report, and we take it very seriously. That seems to be working rather well in some areas, and we're monitoring it fairly closely.

We also assigned some of those folks to work as parental support workers so that they would be working with the new agency that the Attorney General has to ensure that support payments that were due were coming in. That co-ordination seems to be working well in some places and

less well in others, and that's something we're working together with the Attorney General's office on.

We did indeed feel that it was necessary, particularly given the questions about the integrity of the system that had been raised particularly by municipalities, but also in the House, that we needed to look at eligibility review, and 30 of the new staff were eligibility review officers who looked to investigate cases where there have been complaints or where it's suspected that clients may have other sources of income they have not been declaring.

While we acknowledge and we would repeat again, as was found in the Transitions area and in every study that's been done, this is a small percentage of cases, even if it is as small as 1%, given the size of our welfare budget, that's a considerable saving. So we are looking very seriously at that.

There are several local strategies on that. There are particular local concerns that have been raised on that. So we're looking at that.

We are increasing our efforts to recover overpayments from clients. That is a very sensitive area, as I'm sure the member is aware, because many of those former recipients may be earning just over the amounts that allow them to be off assistance, so while we are doing that, we are trying to ensure that we are being appropriate in terms of those recoveries.

The direct deposit of social assistance cheques that we also talked about has saved a good deal of money, because one of our major costs, in replacement cheques, really goes down quite substantially with direct deposit. It means that our clients are also able to be sure that the dollars will be there at the time they need them and that they won't have the kind of problem with the banks they often have had in the past when they've had to bring in a cheque. At the present time, about 30%, almost a third, of our clients on FBA are on direct deposit.

You may have noticed that a number of banks have started to really talk about direct deposit of cheques, not just for social assistance recipients but for old-age security recipients as well, and that's part of the initiative we're taking with them.

We also have projects ongoing with a number of municipalities around direct deposit of GWA cheques, and so far the results are very promising. I think Ottawa-Carleton is one of those municipalities. That's very promising from the municipalities' point of view as well, because again that replacement cheque problem is not the bugbear it is for them and also for all of us as members in our own constituency offices, because that's a problem. So that part of it is going quite well.

The marketing of STEP is a really important part of this, because for those people who are currently on the system, who are currently recipients of social assistance, we knew that when they were having their yearly reviews, there wasn't enough updating of STEP. There wasn't enough marketing with them of the possibilities of moving into the STEP program, and that's a very important aspect of trying to encourage them to look at other possibilities and in fact meet their needs, which have been identified quite clearly.

All that is going on well. We anticipate that we will have hired all the 450 new staff. We anticipate that all these measures, including looking at other sources of income, such as CPP and UIC, will in fact achieve the savings we anticipate in our estimates.

Mrs O'Neill: The direct deposit: Is that on a voluntary basis at this time?

Hon Mrs Boyd: Yes, it is.

Mrs O'Neill: So they apply for it the same as they do for the old-age security?

Hon Mrs Boyd: Yes. I should say, just in talking about the staff, in the 200 staff who were already hired, a fairly high proportion were redeployed from other parts of the ministry where we were downsizing. This is part of what we are trying to do, to ensure that we're following the practices set down by Management Board in terms of redeployment where there's been downsizing.

Mrs O'Neill: So you really do think there will be a \$300-million saving through this program?

Hon Mrs Boyd: We are certainly hoping there will be. We'll be in some difficulty with our colleagues and with the Treasurer if we don't achieve it. It is a very ambitious goal, and we have some concerns about the amount we set aside. There was approximately \$60 million that was not assigned to a particular area that was going to be floating between the number of areas. That's the part we're most concerned about, whether in fact we can achieve the savings in that unassigned portion. At the present time, things are going rather well in spite of the worsening situation.

1710

Mrs O'Neill: I wish you well on that.

Do I have a little bit of time, Madam Chair? It's a summary on page 107, but there are certainly lots of references to the capital throughout the whole estimates document. The areas that concern me are where there are major capital deferrals, I guess you want to call them. I had the Minister of Education, I think, use the term "capital deferrals" the other day, or maybe it was the Treasurer. Is that what's happening?

For instance, on page 107 we talk about adults' and children's services, minus 30%; young offenders, which we talk about briefly, minus 65%; developmental services, minus 57%, child and family intervention services, minus 74%, and child welfare services, minus 44%. That's an awful bump in a capital program. Many of these facilities were needed before they were even on these pages.

All those areas that I mentioned are very high-risk areas, very high-need areas, and I just know that your budget is down by \$40 million in capital. There have to be some effects. If you want to make some comments about what I consider a lack of—certainly, a Jobs Ontario initiative is begging to be filled.

Hon Mrs Boyd: Well, unfortunately you missed quite an extensive discussion that we had the other day in terms of capital. Let me just review it for you.

There was \$51 million. Our original estimates for 1991-92 included the anti-recession funding, the one-time funding that was there last year for short-term projects.

That \$51 million of anti-recession funding, of course, was taken out of our budget. Our budget was increased by \$13,779,100, which brought it up to the total of \$85,038,000. That does not include the Jobs Ontario strategy fund, the capital fund with Jobs Ontario. That fund is close to \$30 million; it's \$29,616,000. That's on top of the \$85 million.

Mrs O'Neill: Do you have a breakdown of where that \$29 million went? Did it go to any of the programs I outlined?

Hon Mrs Boyd: Yes. Long-term care got \$3,510,000; family violence, \$2,160,000; child care, \$22,450,000; child and family intervention, \$830,000, and young offenders, \$666,000. The list of the particular projects, I understand, is in the package of information that the clerk released to you today. It talks about the specific projects that have been announced and talks about the global dollars that have not yet been announced under each category.

Mrs O'Neill: Okay. Thank you. What kind of time are we talking to now, Madam?

The Vice-Chair: You started at 4:48 and you have 29 minutes, so I guess you've got about seven minutes left.

Mrs O'Neill: Could I leave those until the next round, please?

The Vice-Chair: Until the next round?

Mrs O'Neill: Yes. We have another round, I thought; maybe not today. Tomorrow. I understand that was the arrangement that was requested.

The Vice-Chair: Today we're going in half-hour rotations and you haven't used half an hour yet.

Mrs O'Neill: I know. I'm just asking if I could save mine. I think the government members have stacked their time from last Wednesday.

Mr Jackson: Yes, the member has a right to do that. She may have to use it today but she has the right to stack it.

The Vice-Chair: All right. That's fine.

It's 5:15 now and you started at 4:48, so we'll make a note of that, Ms O'Neill. Thank you.

Mr Jackson: I'd like to thank Ms Lang for the information that was submitted to the clerks, but I had a couple of quick questions, if she might be able to come back and join the committee.

On children's aid societies, am I to understand that we don't have information on the deficits or projected deficits and that they haven't filed these with the government, or is my package incomplete? Do we have breakdowns of deficits by CASSs? I have the sheet on the 1991 exceptional circumstance review.

Ms Sandy Lang: Right.

Mr Jackson: I was looking for the 1992 deficits.

Ms Lang: As I understood the question, Mr Jackson, you were asking us what we knew about the exceptional circumstances for 1992 and what our understanding would be of the costs that we would incur relative to the \$17 million. Is that a different question?

Mr Jackson: I asked a series of questions. In fact, I did repeat them, and Hansard will show that. You didn't

get me the 1992 current-year deficits projected. You gave me the staff who were being laid off, to your knowledge, as a result of deficits this year.

Ms Lang: Yes.

Mr Jackson: You got part of the question, but I was asking as well for the deficits that they had apprised you of. You said that you had some of them, maybe all of them, that you were not sure if you had all of them, but that you'd get back to me. That was the 1992 deficits; I have all the 1991 deficits. I was looking for the current-year deficits. If I might, under item number 7 you are showing me the occurrences of staff layoffs in CASs that you're aware of in this calendar year?

Ms Lang: Yes.

Mr Jackson: Okay. Is it possible, then, to get that information?

Ms Lang: I think we can go back and take a look. I had assumed that all of the questions were answered in this package. Obviously if it doesn't reflect the question that you asked, then I will go back and undertake to determine if we have the specific data you're asking for.

Mr Jackson: You did answer four or five out of the six I asked; it's just that one.

The Vice-Chair: For the sake of Hansard we need to reintroduce yourself and identify your office, please.

Ms Lang: My name is Sandy Lang. I'm the assistant deputy minister of operations for the ministry.

Mr Jackson: It's my understanding with regard to the ECR funding that, for example, there's a matter that is outstanding and is under review because there is a disagreement between the Metro Toronto CAS and the ministry over the amount of about \$1.1 million in the ECR funding. Is that an accurate statement?

Ms Lang: I am not specifically familiar with that outstanding issue.

Mr Jackson: Is there someone in your ministry who accompanied you today who could assist us with that question?

Ms Lang: I have my regional director from central region here. I don't know if she's familiar with this specific issue.

Mr Jackson: Could we invite her to the microphone and put it on the record?

The Vice-Chair: Could you introduce yourself and your office, please.

Ms Margaret Gallow: Yes. I'm Margaret Gallow and I'm the regional director in central region for Comsoc.

Mr Jackson: It is my understanding that in the process of negotiating the ECR funding actual deficits are considered but the ministry reserves the right to determine that amount of money which should be covered. Is that correct?

Ms Gallow: Yes.

Mr Jackson: And there is a difference; in other words, Metro is carrying a deficit over, to your knowledge, this year?

Ms Gallow: Yes, they are. Now, are we talking about 1991 or are we talking about 1992?

Mr Jackson: It's 1991. My point is that there is approximately \$1 million that is under appeal and the government has said, "We don't feel that those are exceptional circumstances that fit," whatever.

Ms Gallow: Yes.

Mr Jackson: That is the first part of a deficit they're carrying over. I'm advised by Metro that it is going to be carrying a further \$600,000, approximately, in this year's application for ECR. Accumulated, they've got \$1.6 million or \$1.7 million in deficit.

Ms Gallow: That's our understanding.

Mr Jackson: That's what I thought. Okay. According to the information we've received, the process has not really changed that much and the earliest Metro could deal with its 1992 deficit is some time in January or, February, but certainly before March 31. Is that correct? Am I reading your response?

Ms Gallow: That's correct, yes.

1720

Mr Jackson: If I might ask the minister, when will you resolve the 1991 ECR appeal of \$1.1 million, because the sooner you give them an answer, the sooner they can start cutting services and cutting employees and denying children services, which will be the outcome, as I understand it.

Hon Mrs Boyd: Obviously, it's in our interest as well to resolve that as soon as possible. I can't tell where we're at in the process right now and I would invite either of my colleagues to respond to exactly where we are in the process around that appeal.

Ms Lang: If I may, it's my understanding, and obviously this is subject to confirmation, that our area office has already communicated with the society that the deficit will not be recognized in its ECR, and that the agency, like other agencies in the province, needs to be planning accordingly. If that hasn't been communicated formally, then I will certainly clarify that, but I certainly had that understanding.

Mr Jackson: Okay, so the appeal's over and there's no further appeal to the minister personally or whatever. If that is the case, then, could you provide us with the additional information of how many ECR allocations were less than the application and by how much? Since Metro's is \$1.1 million, and as you know—and thank you for completing the information so clearly—the government intends to reduce its commitment in spite of growing numbers. Currently, it's \$17 million; in 1993-94, it will drop to \$12 million and to \$5 million in 1994-95. We have a serious crisis here if CASs have to carry these deficits, and with so much of their budgets on personnel, we're going to have to be laying off a lot of personnel in this province, front-line workers who are meeting the needs of children.

Hon Mrs Boyd: I wonder if I could just make a brief response to that. There are other options that children's aid societies need to be looking at together with us, and some of those involve the intensity of the intrusive procedures

they engage in in terms of the care of children, ways in which they can integrate their services better with other parts of the community and so on. This is all part of what we're talking about when we talk about integrated children's services, the necessity to look at how to meet the needs of children and their families in these times.

The boards of those CASs have very difficult decisions to make, just as the ministries and the various departments of ministries have very difficult decisions to make, and it would be inappropriate for us to leave the impression that every board of the CAS that doesn't get its full ECR entitlement would decide to lay off staff. There are other decisions the boards have taken and will continue to take.

Mr Jackson: Minister, that's why I asked for the staff layoffs and for the deficits, because when you're in a reduction mode and you share with the at-risk community—in this case children's services—when you tell them that you're going to have to rationalize and look elsewhere for shared ventures, the resulting outcome in that environment, given that CASs have been paring down—and if you've had any experience with them, you'll know they have been over the last three years—in spite of increased demand, there is only one option and that's to lay off staff. That's where most of their money is and their costs.

I've seen the statistics of the drug-dependent children, the substance-abuse dependent children, the sexual and physical assault, which is on the rise in traumatic numbers. If we're going to be asking the Minister of Education to meet these needs or municipalities to meet these needs, I'd be certainly interested at some future date in your sharing with us your vision, but in the practical sense, what happens in the community?

We are not acknowledging intervention services at interval homes, which you're very familiar with. I lobbied long and hard with you when you were in that capacity because of the very point that if those services were integrated, then we could take a woman out of an abusive situation, and in the context and in the environment of an interval house provide the intervention and the services to those children, and maybe do it less expensively, but that's not something your government's funding. It's not something that we're committed to at this time, unfortunately, and therefore, where else do we find those services?

Before we suggest that we'll just keep downsizing and rationalize and find other services—everybody else we talk to is in a similar contracting mode, and so all I see is increased numbers of demand for children, who the law says we must deal with. If adults get shortchanged in society, they're old enough in many respects to adapt, but a child doesn't, and that's my area of concern.

I have a series of questions I'd like to put on the record in the limited time I have left. I'd like to thank Ms Lang. If she would give me those statistics on the deficits, that would be helpful. Could I ask Mr Laverty from the long-term care reform to come forward?

Mr Patrick Laverty: I'm Patrick Laverty, the director of the long-term care policy branch.

Mr Jackson: Mr Laverty, very good to see you again.

Mr Laverty: Good to see you again.

Mr Jackson: I wonder if you could explain to the committee briefly where we're at in terms of funding for long-term care reform. This is the first time it's surfaced in our briefing books and our estimates books in detail, but the lead agency is still health. However, you're responsible for implementing its aspects as it relates to Comsoc, is that correct?

Mr Laverty: The programs that are within the long-term envelope are still both within the Ministry of Health and the Ministry of Community and Social Services. We haven't realigned it to one ministry or the other, so all the programs we inherited from the Ministry of Community and Social Services side are in fact continuing on in the estimates on that side, and of course, the same is true with the Ministry of Health.

Mr Jackson: In that regard, the municipal homes for the aged are a matter of concern. In the estimates book, page 53, we show a 1.8% or a \$6.33-million cut to homes for the aged, and we see a reduced number of beds serviced. The treasury board document I referenced earlier—and you were present at the time, I believe—the March 31, 1992, treasury board minutes, references a cut to homes for the aged—I should have made a note of it—and I believe it is \$26.8 million for homes for the aged not approved at that meeting.

Can you explain to me the difference between the treasury board document—and all the questions I've asked about this treasury board document have been consistent with what's appearing here, yet for municipal homes for the aged, we don't see the transfer. Is that part capital, part operating or is it all operating? I see a difference in numbers being quoted here. I see a \$6-million cut to homes for the aged on page 53, and I see a \$26-million, not approved, expenditure.

Mr Laverty: I'm afraid that's not an explanation I can provide you with.

Hon Mrs Boyd: I believe I can provide it for you, Mr Jackson.

Mr Jackson: Please.

Hon Mrs Boyd: My understanding of the situation is that it was a request to cover some of the deficits that had been entered into in terms of municipal homes, and treasury board declined to meet that deficit. The change in the other reduction has been because of the increase in revenue from per diem copayments. There was an increase in revenue of \$12.6 million projected for 1992-93, and therefore the netted figure in our estimates is netted out as \$11,103,400.

Mr Jackson: Is it not true, Madam Minister, that also there's been a reduction in the number of beds that are funded through a series of renovation projects where the downsizing in my own community—Mr Duignan from Halton, it's in his riding, but he's familiar with about an 88-bed loss. You don't get your redevelopment moneys unless you cut 88 beds; that was sort of the norm for several homes for the aged. It's borne out in your detailed estimates that you're actually reducing the number of beds in this area as well. Is that not correct?

Hon Mrs Boyd: In terms of the long-term care plan, our rationalization of the availability of beds is clearly a part of that plan, and where there have been renovations and changes, it has been done in terms of that long-term care plan.

1730

Mr Jackson: Where's the resultant increase in services to counteract the reduction in bed access?

Hon Mrs Boyd: You may note that there have been a large number of renovations that we have done and in many of those cases beds have been temporarily reduced while those renovations have been going on. But it's part of a planned kind of sharing of space and beds between long-term care beds in hospitals, nursing homes, municipal homes for the aged, charitable homes for the aged. You'll notice that there's quite an increase in the charitable homes for the aged and I think you had considerable discussion with the Minister of Health around the reallocations that are happening in nursing home beds.

Mr Jackson: Madam Minister, there isn't a single category of long-term care bed in this province that is on the increase. In fact, every single category is in decline. So when you talk about sharing, it is a process of sharing the bad news or sharing reduced access or sharing greater waiting lists. That's what sharing means in our province today.

Alzheimer's patients, for example: The law says you can only lock them in restrained environments in homes for the aged. So when you have an increased number of Alzheimer's patients in that cohort, we can't overdose them with medication and put them in restraints in hospitals at \$1,000 a day when society can treat them more humanely and at much less cost than the current procedure for Alzheimer's patients in this province. I think that's a relevant question about where is your government's priority for these people and where's your plan, other than everybody has to share the contraction of these services in this province.

Hon Mrs Boyd: We do not equate the care with the number of beds. As you know, we're moving towards community-based care—

Mr Jackson: Fair ball.

Hon Mrs Boyd: —with community-residential alternatives for people, with supports to families who are prepared and able to look after their loved ones at home. So we do not equate the care of these clients at all with the number of beds. As you know through the long-term care consultation, neither did consumers. They were saying that they want the supports within the community and that's part of the planning with long-term care, to provide that, rather than continue building more and more beds, to try and put our resources into those community-based services that are going to make it possible for us to look after folks in their homes with their families, in their communities, at what we all know will eventually be a lower cost than in hospitals.

Mr Jackson: That's a con job, Madam Minister, and all three political parties have been conning the public with

that for years. It is more expensive in the home if it's done properly, with interventions, and you know it and I know it. I'm not saying the alternative is warehousing these people; on the contrary.

The fact of the matter is that if you met with Alzheimer's support groups and families, they are in complete emotional distress as a result of having to care for a family member. You've got the average situation in Alzheimer's, a 65-year-old woman trying to care for a 75-year-old man and she is going under badly. That is the typical case in this province and when you get into the disabled community, which is not included in long-term care, it's even more disastrous because you're now talking about assisting a disabled individual to a toilet or a bath, and for a 65-year-old woman this is killing her.

Let's not debate it, Madam Minister. I'm telling you my party conned the public, the Liberals conned the public and you're conning the public.

Hon Mrs Boyd: That's precisely why we have redirected long-term care, because we agree that indeed you did try to give the public a position.

Mr Jackson: You've cut it, Madam Minister. You're two years behind.

Hon Mrs Boyd: We simply disagree with you. In fact, in the discussion that we've just had about the multi-year plan, when we look at the per unit costs that we're having in terms of community care and in terms of facilities, yes, it is not the great saving that was looked upon as being there, and yes, there is a cost to the individuals involved.

Mr Jackson: Precisely. I have a couple of questions I'd like to put on the record. How much time do I have left?

The Vice-Chair: About nine minutes.

Mr Jackson: Minister, in response to Mrs O'Neill you indicated that there were some savings with respect to welfare fraud. Are you documenting this and are you quantifying this? You've said you want to save \$300 million. How much of that will be welfare fraud that you've caught?

Hon Mrs Boyd: We are closely monitoring all the changes that we've made to social assistance. We are required to report back to treasury board on that.

Mr Jackson: How much of the \$300 million is for welfare fraud, Madam Minister: 1%, \$1 million, \$100 million? How much of it?

Hon Mrs Boyd: I believe between 1% and 2%, a very small portion.

Mr Jackson: That is it?

Hon Mrs Boyd: Yes.

Mr Jackson: For 400 new employees? Okay.

Hon Mrs Boyd: That is not all those employees are doing, Mr Jackson, and you know that very well.

Mr Jackson: That's why I asked. It's obviously 1% or 2% of their enterprise. You've confirmed that.

I would ask then to what extent you have statistics on non-profit day care agencies running deficits or in financial difficulty. You indicated to me in a late show we had

some months ago that you would undertake now to start getting statistics. Do you now have those statistics?

Hon Mrs Boyd: We are monitoring very closely as part of our management plan that was announced at the end of July.

Mr Jackson: So have you got stats you can share with this committee?

Hon Mrs Boyd: We will share with you what we have so far. As I say, our management plan was only instituted at the end of July.

Mr Jackson: Then let me give you the list of the items I'd like you to consider sending to the committee. We'd like to know the number of day care centres by private, non-profit and municipal, and I would ask you to give us those centres which have closed during this fiscal year.

Hon Mrs Boyd: May I ask whether you want the numbers and the names?

Mr Jackson: Both, please. I know that'll take a little bit longer, but I'd appreciate that: those that have closed, the number of spaces involved and their status, the deficits for the non-profit sector, since with the for-profit sector the bank usually tells them how to deal with their deficits.

Hon Mrs Boyd: Yes, there is non-disclosure in private centres.

Mr Jackson: It'll surface with the closures. The number of displaced staff you're monitoring, the number of displaced children, if you're in fact monitoring whether children get access to service when their centre closes.

Hon Mrs Boyd: We certainly are. That's one of our major concerns as part of the management plan.

Mr Jackson: So you do have the stats?

Hon Mrs Boyd: We began, as I say, with the management plan—

Mr Jackson: I have seven minutes left. Your yes or no would be helpful.

Hon Mrs Boyd: —at the end of July. You need to understand that, yes, we are monitoring that, but we're not going to be able to give you complete figures on all of those details prior to the institution of the management plan.

Mr Jackson: I understand that. I had a series of questions on day care. Time won't allow me to get those on, so I will leave those and maybe it can be the subject of a further discussion we might be able to undertake. However, as one centre recently said to me, why is it that your government will give a private sector Jobs Ontario funding, but when the recipient comes forward that woman can't have her child attend that centre?

Hon Mrs Boyd: I did not understand your question. I'm sorry.

Mr Jackson: Okay. A woman would like the training in a day care centre. You can get the funding for Jobs Ontario in a private centre. You're eligible because the government said, "We support the free enterprise model in that regard in terms of hiring somebody." But that same recipient, that individual who is getting trained, who's

moving off welfare or adjusting her welfare, can't bring her own child to that centre. Why?

Hon Mrs Boyd: Because of our decision that we were going to be putting these spaces into the non-profit sector.

Mr Jackson: Do you think that's fair to the woman or to her child?

Hon Mrs Boyd: We could ask a question as to whether it is appropriate for someone to be trying to maintain a position of parent and child care worker at the same time. That is a fair question and it is one that is dealt with in many centres as to whether in fact they feel that is an appropriate combination. I understand your concern and I certainly am not aware of any incidents where this has happened.

Mr Jackson: Could the minister please tell us if she will be supporting the request for a social worker act within the next year? Does the government have any plans at all to resolve the fact that we're the only province that doesn't have a social worker act governing the activities and conduct of this group?

1740

Hon Mrs Boyd: No. We were very clear that we would not be introducing an action to regulate this profession as social workers but that we were looking, with our colleagues at Consumer and Commercial Relations, at other ways to protect the public from some of the concerns that have been raised by the social work professional association.

Mr Jackson: Has the ministry an update on the number of children on waiting lists for mental health services in this province?

Hon Mrs Boyd: I believe that is updated on a fairly regular basis. I believe it remains static at about 10,000.

Mr Jackson: Could you share with the committee how those numbers are arrived at and when you took your last reading?

Hon Mrs Boyd: There is some real concern about the duplication of names on those lists. What happens for most referral agencies is that they put children on the lists of whatever agencies are within reach of the family, so it is very difficult for us in working with the mental health groups to have any sense of whether a lot of those names are duplicates or not.

In any case, I think it is fair to say that if the number were cut by a third or even a half, the waiting lists are very frightening to those of us who know how urgent the need is.

Mr Jackson: Your predecessor provided us a list of the Back on Track recommendations, the date of implementation, the cost in the fiscal year of whether it was an actual or an estimate. Could you please provide us with that list and any of those recommendations in the Time for Action which you have proceeded with?

Again I reference the treasury board document of March 31, and it contained a substantive number of areas of deferred decisions or rejected decisions around SARC recommendations and implementing certain reviews that were helpful. Some of our mutual friends in the social assistance field would like an update, which we got regularly

from the previous government. The last one we got was from Ms Akande some time ago. Could we get updates on those.

Hon Mrs Boyd: Certainly. We have an update that we can provide for you tomorrow.

Mr Jackson: Okay. You've discussed the issue of your projection. Madam Chair, how much time have I got, or am I probably out?

The Vice-Chair: You have 30 seconds.

Mr Jackson: Let me say it's been a real joy here on this committee.

The Vice-Chair: No, I'm sorry. I correct it. This is the clock. You have two minutes. I'm sorry.

Mr Jackson: If that's the case, in the interest of time I will table the balance of my questions, which is the custom, and I will leave those with the clerk to get to the deputy and staff. If they could respond to those, it would be appreciated.

The Vice-Chair: Thank you, Mr Jackson. You had one minute left actually when you finished.

Government members, do you have any questions?

Mr Bisson: Just a point of clarity: There is seven minutes left with the Liberal caucus at this point?

The Vice-Chair: The Liberal caucus has two minutes left at this point.

Mrs O'Neill: I thought I stacked seven.

The Vice-Chair: The clerk advises me that when—

Clerk pro tem (Ms Lynn Mellor): We started off with 29 minutes at 4:48.

The Vice-Chair: You had 29 minutes at 4:48 and you stopped at 5:15, which meant you had used 27 minutes.

Mr Bisson: In the interest of time, if Mrs O'Neill wants to go ahead enough and after we get the votes done, we would table all our questions later instead of coming back here tomorrow.

The Vice-Chair: So you have no further questions?

Mr Bisson: We'll table our questions to the minister directly and we'll allow Mrs O'Neill to finish her questioning.

Mrs O'Neill: I find this all very confusing. The seven hours includes the voting time, does it? And you're telling me then that this is all over, that I have two minutes of questioning, period, finished, over, and it's being used right now?

The Vice-Chair: Yes.

Mrs O'Neill: Boy, it's certainly very difficult to be working under misunderstandings. Could I go to the conversion policy then, please? You stated in your opening remarks, Madam Minister, that there were 50 requests. Can you give us an update on that?

Hon Mrs Boyd: Yes. I understand that the latest count we have is 87 requests that have come forward.

Mrs O'Neill: What are the time frames on the answering of those requests, or what do you think is going to work out for those people? Are some of these things going to happen before the end of this year?

Hon Mrs Boyd: They certainly need to, because we have set aside the dollars for it and it's very urgent from our point of view that we reassure those centres that have acted in good faith and have put forward plans, as long as they meet within the management plan that's for a particular area.

When Mrs Marland was questioning she was talking about the opening of centres where there are other centres going under for lack of enrolment. That is true. That is happening because there has not been a consistent, planned approach to how we deliver child care services. So where we have a conversion proposal coming forward we will be looking at the number of spaces available in that area and whether in fact what we are supporting would create ongoing difficulty in terms of the viability of the centres.

The application for conversion will depend on the valuation process described in the materials we tabled, and also how that fits with the management plan in terms of the necessary spaces for the area.

Mrs O'Neill: All right, thank you. In conjunction with the others then, I will table a couple of other questions, hopeful of written answers. The attendant care program seems to be in jeopardy. At least, when it's placed in the communities, there seem to be concerns about its viability, particularly for the working disabled. That's a grave concern. I don't know how firm the commitment of this government is because it wasn't mentioned in the opening remarks.

The second question is what the changes are, as you see them, for the supports to employment program, STEP, on 1 August, 1992, and how those changes are going to contribute to the effectiveness of the program.

My third question is—you talked about perpetrators of violence needing assistance. There were absolutely no specifics; I think we need some specifics.

The final question is on credit counselling, which I feel must be reinstated because of the integration of new policy such as the development of casinos and the programs I've suggested, which are self-help, self-worth programs. Credit counselling being wiped totally, I'm wondering if there's any consideration to encourage municipalities by some sort of incentive plan to pick that program up again.

Hon Mrs Boyd: In fact on that last item I might tell you that, as I understand it, all but two of the programs have either been taken up by other agencies or are continuing under different circumstances, through some portion of the fee being paid by the consumer, by the creditor and that sort of thing. I'd be happy to table a full account for you of all those agencies.

Mrs O'Neill: Thanks.

The Vice-Chair: Okay. I think we will now proceed to the votes. Shall vote 801 in its entirety carry? Carried. Shall vote 802 in its entirety carry? Carried.

Shall I report the Ministry of Community and Social Services estimates? Agreed. Thank you.

I'd like to thank the minister and her staff for their attendance and support of this estimates committee hearing and I declare the committee adjourned.

The committee adjourned at 1749.



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Also taking part / Autres participants et participantes:

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Wednesday 14 October 1992

**Standing committee on
estimates**

Ministry of the Environment

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Mercredi 14 octobre 1992

**Comité permanent des budgets
des dépenses**

Ministère de l'Environnement

Chair: Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 14 October 1992

The committee met at 1530 in committee room 2.

MINISTRY OF THE ENVIRONMENT

The Acting Chair (Mr Gary Carr): I'd like to bring to order the standing committee on estimates. We will be looking at the Ministry of the Environment, and as is the practice, the minister will begin with a statement, to be followed by the Liberals and the Conservatives as well.

Hon Ruth A. Grier (Minister of the Environment): I'm delighted to be back again, defending what is going to be, for the first time, estimates that have been produced by the ministry with me as minister. You'll remember the last time I appeared was early in 1991 to present the 1990-91 estimates of my predecessor, the Honourable Jim Bradley.

I'm here today with my new deputy minister, Richard Dicerni, whom I'm not sure members of the committee have yet had an opportunity to meet, and a number of representatives of the ministry whom Mr Cousens, I think, asked me to introduce at this point.

Mr W. Donald Cousens (Markham): At some point.

Hon Mrs Grier: They're here to answer the questions that Richard and I choose to send to them for answering. Is that the way to describe it? We have everybody who is necessary for the exercise.

When I was here in early 1991, I gave the members of the committee an indication of my plans for the Ministry of the Environment. I was fairly green, in that interpretation of the word, at that point, and I discussed our environmental agenda in terms of four major principles: first, that everyone has the right to act on behalf of the environment; second, that environmental programs must be based on pollution prevention; third, that a conservator society must be created in Ontario, and fourth, that the government must take the environment into account in all of its decisions.

Mr Cousens: Is there a copy of your remarks?

Hon Mrs Grier: I'm afraid there isn't. There will be, and we can probably make it available to you tomorrow, before we get back into questions and probably before you get Hansard. I'm sorry. It was being worked upon as late as a few minutes ago, so we don't have copies for everyone. I may well decide not to give it all, so we'll give you what I say as soon as we can.

This year my ministry's estimates total \$722 million. A supplementary allocation of \$24.7 million was recently approved for our share of the Jobs Ontario Capital program. This brings our budget to \$746.7 million. That's down slightly from last year's level of \$774 million but up 15% from when we formed the government.

Obviously, we are not experiencing the kind of budget increases which Environment would warrant under a better economic climate, and we face some very difficult choices in terms of how we can best deliver our programs.

Admittedly, we cannot move as fast in some areas as we would like, but I'm pleased to be able to say that we are moving and moving steadily. We've made steady progress in improving our customer service and learning to do better with less.

The Ontario government believes that environmental protection and economic prosperity are mutually reinforcing and achievable. I think we made that position very clear in the first throne speech of our government which, if I may quote, said:

"We will need to assess our decisions not only by standards of social justice or economic growth but in terms of their ecological integrity. We know that we cannot have a healthy economy without a healthy environment."

A central focus for my ministry and for those of my cabinet colleagues is the creation of a sustainable economy in Ontario. This necessitates the integration of environmental and economic decision-making. In fact we see environmental protection as an important contributor to the renewal of the Ontario economy.

My ministry released a study this past June which shows that revenues for firms in this industry are expected to experience average annual growth rates of 14% over the next five years. I think if members realize what's happening in other sectors of the economy, they'll understand that's a fairly significant rate.

This sector should be further energized by my ministry's movement towards our approach to environmental protection, an approach which is technology-driving, not technology-driven. That's a fairly important distinction that I'm sure we'll have a chance to explore as we get into questions.

This study, which was done jointly with MITT, attributes this to tighter government regulations and the increased environmental awareness shown by businesses and consumers. This study, as well as those done in other jurisdictions, showed very clearly that you don't have a growth in the environmental protection industry without strong regulations to create the foundation for that growth.

In addition, to stimulate employment we have provided capital grants to start up a variety of projects under the anti-recession program in 1991-92 and under the Jobs Ontario Capital fund program in 1992-93.

During 1991-92 ministry expenditures for water, sewage and waste management anti-recession projects were in excess of \$15 million. This funding assistance helped our municipal counterparts start much-needed capital projects and created an estimated 600 person-years of direct employment.

For this fiscal year the ministry has approved nearly \$25 million in grant assistance to municipalities under the Jobs Ontario Capital program. In total, grants of \$60 million will be allocated over a three-year period. These

grants, together with the investments of our municipal partners, will create an estimated 1,460 person-years of employment.

We are committed to making the environmental assessment process more effective and efficient, while maintaining its environmental integrity. We have now reviewed all of the recommendations made by the environmental assessment advisory committee and discussed them with the interministerial liaison committee. A cabinet submission was submitted to a cabinet committee last month for its consideration, but in the meantime, and I do want to stress this, we have implemented a number of short-term administrative reforms, and will continue to do so.

What was apparent during all of the consultations with respect to the Environmental Assessment Act was that the act itself was very sound and had withstood the test of time. What was causing enormous frustration—and still does; we're not doing it perfectly yet—was the administration of the legislation: the time it took to do government reviews, the lack of concurrent reviews by other ministries, the lack of clarity in the guidelines that were sometimes given to proponents by the ministry.

So we have put our initial efforts into dealing with the administration of the legislation and in taking initiatives to reform and to streamline that process. I'm delighted to be able to share with the committee that those initiatives have in fact shown some real progress.

Our goal was to cut the turnaround times for approvals by half, and we've almost reached that goal. We've gone from an average of 120 days to an average of 65 days turnaround. Let me also say that we've had a couple of complaints from consultants that in fact their contracts are up much sooner than they'd anticipated because they've had approvals from my ministry earlier than they had anticipated in submitting contracts to their clients. That's the kind of criticism we're very glad to have.

I want to expand next on some major initiatives within the ministry, and in doing so I want to focus on those four major principles that I identified last year. The first one was the important direction of our government that everyone has a right to act on behalf of the environment, and the cornerstone of that commitment of course has been the environmental bill of rights. I believe that our commitment to an environmental bill of rights was an integral part of a strong environmental platform which helped bring our party into office.

I'm proud to say that this government is acting on its commitment to a bill which will give citizens a far greater say in the environmental decision-making process than they've ever had before. The bill will open doors that previously were closed to the public. What's important also is that we're developing the bill in close cooperation with the key stakeholders.

During the first stage of consultation, which was completed in March 1991, an advisory committee conducted a public consultation on the five principles underlying an environmental bill of rights. Those principles are the right to a healthy environment, improved access to the courts, increased public participation, government accountability and protection for whistle-blowers.

We found in that consultation that the people of Ontario overwhelmingly supported the idea of an environmental bill of rights, but they had many questions as to what in fact that legislation would actually look like. They told us time and again that it was very difficult to comment or to participate in consultation without having a drafted bill of rights in front of them. We then moved to say, "Okay, how can we draft an environmental bill of rights but hold true and fast to the principles that we had outlined at the beginning?"

1540

What we did last October was appoint a task force made up of representatives from key business and environmental organizations and ask that task force if it could develop a draft bill. Many people said it couldn't be done and many people were sceptical that in fact putting representatives of the Business Council on National Issues and Pollution Probe and the Canadian Manufacturers' Association and the chamber of commerce and the Canadian Environmental Law Association and representatives of my ministry together would not in fact produce a draft bill of rights.

But I think, as members of the committee will remember, the task force achieved what people had said it couldn't and drafted legislation which now has the support of both business and environmental groups. In fact, the task force successfully transformed my vision of citizens' rights into a reality. They took the principles I've outlined and crafted a made-in-Ontario bill that flows from our legal experience and meets the needs of this province.

The bill then went out for public consultation, and the last day for comments is in fact this Friday, October 16. What we're finding is that the comments are, by and large, very supportive. There are some very helpful suggestions for changes in the bill but no substantive requests for changes or amendments, so we will now work on incorporating those comments into a report and I would hope to have a bill ready to be introduced into the Legislature, certainly as soon as possible.

The environmental bill of rights will be a victory for both the public and the business community. For the first time Ontario citizens will have a guaranteed right to participate in environmental decision-making. It will open up the government's environmental decision-making process to much greater public scrutiny and will make government accountable for its decisions in a way that has never happened before, and it will give business a uniform and predictable process for obtaining environmental approvals while giving citizens an opportunity to influence decisions at an earlier stage.

All this of course is in keeping with our view that individuals must have more input into environmental decisions which directly affect their lives and that if we allow that to happen, then we end up with better and more generally accepted decisions at the end of the day.

The second major policy direction I have taken is the requirement that environmental protection programs must be based on pollution prevention. My ministry has taken action on several fronts to make pollution prevention standard industrial practice in Ontario.

Let me make the distinction now between pollution prevention and regulations, or what have become known as end-of-the-pipe controls. One of our first initiatives was the release last August of an abatement regulation setting limits on toxic discharges from Ontario's petroleum industry.

This is the first of nine sectors to be regulated under the municipal industrial strategy for abatement, commonly called MISA, but the release of this regulation is a historic event. It's taken a long time for the monitoring and the preparation for MISA to bear fruit, and this regulation is the first-ever regulation limiting the discharge of contaminants into Ontario waterways.

With this regulation, we've sent a clear and direct message to the petroleum industry and to the other industrial sectors whose regulations will follow. We've sent a message that specific pollution control targets must be met and each and every plant is accountable for meeting them.

This petroleum industry clean water regulation sets out a three-year timetable for substantial cutbacks to the total pollution discharged to Ontario waterways from these refineries. Some contaminants will be reduced by as much as 30%, and the regulation will cut back the industry's discharges of conventional pollutants, such as suspended solids and oils, by 300,000 kilograms a year.

The MISA program is already showing that companies that have been investing in approaches to prevent or reduce pollution have a head start on meeting more stringent environmental requirements, and they also tend to be more efficient, with up-to-date production facilities.

I think it's important to point out that many industries, once the monitoring phase of the MISA program was completed, recognized that changes had to be made in the way they operated and so didn't wait for the regulations to be promulgated but began to invest in changes to their practices to anticipate those regulations.

We've invited public comment on the petroleum regulation and we will certainly carefully consider this comment to ensure that the final regulation is fair and effective in protecting our environment. We are moving along on our plan to develop regulations for the eight remaining sectors and I certainly hope to have another regulation ready for release before the end of this year.

Other pollution prevention initiatives I have undertaken include the establishment of a pollution prevention office, which will assist the ministry to make pollution prevention the primary means of achieving its environmental priorities.

We've signed a memorandum of understanding with the federal government and the Big Three auto makers establishing the first voluntary pollution prevention program in Ontario.

We have released a list of candidates of persistent toxic contaminants which was developed by my ministry and provided to the federal government as a starting point for developing a national toxic chemical reduction strategy.

This began as a result of an initiative on the part of environmental groups and industry who came together in a committee they called New Directions. They did a lot of work and came to an agreement that what was needed was a ban of the persistent toxic contaminants that we knew

were in the environment. They then met with both myself and with the federal Minister of the Environment, and Environment Canada set up a process to begin work on how those kinds of bans might be implemented nationally.

The scientific work that had been done within my ministry to develop a candidate list of those chemicals has proven to be a very valuable contribution to that process and we are certainly working with that federal committee—it's known as the ARETS committee—to develop a timetable and a process for public consultation. So we're taking an active part in the national multistakeholder committee that has been established.

Another pollution prevention initiative of ours was a spills prevention strategy to ensure better prevention, containment and cleanup to head off the environmental damage caused by accidental discharges and working with industries who have been prone to accidental discharges to ensure that they put in place strategies to minimize these occurrences and make it very clear that control orders would be the result if prevention strategies were not put in place.

Finally, the Advisory Committee on Environmental Standards is holding public consultations presently on a proposed materials management policy and on guidelines for sediment and lakefill quality. A consistent and appropriate way is needed to manage these materials without threatening human health or the environment. Better management practices such as this is an additional way of preventing problems from occurring.

The principle of prevention, as opposed to cleaning up and curing problems, is a very integral part of our work towards sustainable development and all these approaches will lead to reductions in the amount of toxic chemicals discharged into the environment and the amount of hazardous waste that we produce.

The third principle I early established was the move and shift of attitudes and habits that would take us from being a consumer society towards being a conserver society. One of the greatest challenges facing my ministry is to establish the policies and programs that would facilitate that move.

Two years ago I made a commitment to meet and try to exceed the objectives set by my predecessor that 25% of the waste currently going to landfill should be diverted by the end of 1992 and 50% by the year 2000.

Our plan is to guide Ontario through a major positive shift in direction: environmentally, economically and socially. A consumer society like ours doesn't change into a conserver society overnight. We can only achieve environmental sustainability by progression from a waste-producing society to a waste-reducing society.

In terms of meeting our goal for 1992, I'm delighted to be able to tell the committee that we are very, very close. We now have reports in from 100 municipalities for the first six months of this year, and these reports represent municipalities that cover 80% of our total population, which we believe is enough to get a reasonably clear indication of our progress. Based on those data, even if there is no further improvement this year in our diversion rate, we

estimate that no more than 7.6 million tonnes of Ontario waste will go to disposal inside or outside our boundaries.

That's still an awful lot of waste, but it's a 21% per capita reduction from five years ago, because 1987 was the base year from which these estimates and targets were made. I think that's a very real achievement in two years of programs. It's a conservative estimate and I expect the news on the last six months will be even more encouraging.

When I was meeting recently with some members of the private waste management sector, they said how pleased they were to hear this indication of progress and how excited they were to know that the changes were making a difference. They pointed out to me that many of their figures had not yet been shared with our ministry. So I think it's entirely possible that we might well exceed the 25% by the end of the year.

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We're cutting away at our mountain of garbage, and I believe that we can build on that success and do even better, because as I've said, at the outset those targets must be minimums, not maximums.

One important initiative I've taken, and which is also a pollution prevention initiative, is the ban on future municipal solid waste incinerators and the imposition of tough operating controls on existing facilities. In addition to protecting Ontario's air quality, this will ensure that recycling operations won't be denied the steady supply of recyclable materials needed to make them viable. I know we had many discussions about that initiative before the committee that was dealing with Bill 143.

The blue box is of course a key element in our programs of waste diversion. It was recycling's greatest success story by 1990 and has continued to flourish in Ontario. Two years ago, more than half of Ontario's households were involved in blue box recycling. Today, three quarters of all households actively recycle. The newsprint and newspaper industry has made great gains in the past two years. They were recovering just over a third of Ontario's newsprint from the waste stream two years ago; now more than half is recycled. A current recovery rate for old corrugated cardboard is 40%; for container glass, 33%; for PET plastic, 52%, and we're recovering 20% of our gypsum and 52% of our wood waste.

I think it's important to stress that for all these materials, there are markets. One often hears it said or rumoured that materials that are separated for recycling are not in fact recycled. I was pleased at the opening of Waste Reduction Week to hear the director of the Recycling Council of Ontario give the lie to any of those rumours by pointing out very clearly and definitively that in fact there are markets for the waste that is recovered, and a growing market for most of it.

The second key element in waste diversion is of course composting and we have made that a major emphasis of our policies. Studies have shown that kitchen and yard waste make up about 40% of the household waste stream. We're committed to tapping that potential. To date, the government has contributed \$12.5 million in capital support for backyard composting programs, funding close to half a million home composters.

It's estimated that about one million Ontario homes are active composters, and I'm sure that all the members of this committee had composters before they were handed out by their municipalities. So we don't count into these figures all the many hundreds of thousands of people who were doing it naturally long before it became the trendy thing to do. Ultimately, we believe, about 1.8 million Ontario households can divert as much 400,000 tonnes of kitchen and yard wastes into their home composters.

The third key in our policies is of course encouraging the diversion of industrial, commercial and institutional wastes, and we are making significant progress in this area. Two years ago there was, I think, a certain amount of resentment on the part of single-family home owners that all the emphasis on the 3Rs was falling on them, because the blue box was the only program available for waste reduction. We are expanding that into the industrial, commercial and institutional sectors.

Since the industrial waste diversion program was announced, we have committed \$50 million to 453 projects. At the same time, the companies involved in these projects have invested a total of \$172 million. The projects already operating and those approved for funding will divert significant quantities of industrial, commercial and institutional waste from landfill.

I have some analogies here that relate to sports, and as I said when I used them in a speech recently, I regret at this time of the year that I don't have any baseball analogies, but you may forgive me if I tell you that 1.5 million tonnes of solid waste is enough to fill 500 football fields up to the crossbar on the goal posts, and that will be diverted annually. The annual diversion of hazardous waste will amount to 80,000 tonnes, which is enough to cover eight football fields to the depth of one metre. For those of you who aren't football fans, we will also see 20 million litres of liquid industrial waste diverted by these projects and that's enough to fill 10 Olympic-sized swimming pools.

The only contribution I can make to the baseball season is to tell you that for Waste Reduction Week my ministry prepared a very evocative model of the SkyDome with green plastic bags filling it, and all of the waste produced in Ontario, if piled in the SkyDome, would reach to twice the height of the CN Tower. So I gather that there is no waste in the SkyDome today and of course my objective is to make sure that there is no further waste to go anywhere in this province ultimately.

However, to get back to the programs. These three key elements are now in place as the foundation of our waste reduction action plan and we are now consolidating and building on these positive achievements. The Waste Management Act of 1992, which was the subject of prolonged discussion in which some members of this committee participated, provides a powerful instrument to help us meet our goals. The act establishes the legal framework for putting the waste reduction action plan to work. It provides the framework of our 3Rs regulations. It allows us also, and I think it is a very important component of that act that has not been fully recognized, to cut the red tape associated with the approvals process and to introduce regulations

requiring waste auditing and source separation of secondary materials.

The ability to cut red tape in approving recycling facilities was a key factor in our partnership with the Canadian Petroleum Products Institute and the makers, blenders and sellers of lubricating oils. Together we were able to open a system of used lubricating oil collection facilities across Ontario last month.

Without the provisions in the Waste Management Act, every service station that agreed to take back used lubricating oil would have had to be permitted separately as a waste transfer station, and that would have been a very long and complex program. Because of the provisions in the Waste Management Act, we were able to arrive at an agreement whereby there is permitting by rule; if they meet certain criteria, then they can get a permit. The conditions in the criteria were worked out in conjunction with the industry and I think that is a very good model of how we would like to proceed with other industrial sectors and a way of working in partnership with the private sector and with industry to achieve the goals that all of us want to achieve.

Let me commend that industry, and as I did at the opening, issue a challenge to other industrial sectors to assume the responsibility for and stewardship of their products. I see the same kind of process as being very applicable to batteries, to paint products and to other consumer chemicals. There's a lot more room for corporate initiative to help people reduce, reuse and recycle the valuable materials that for too long have been discarded as garbage.

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Of course, the other side of that kind of program is one that I think was pointed out in the House today by the member for Markham, that if you can prevent used oil from being discarded in the garbage, then you prevent it from going into landfills and then you diminish the risk of the leachate from those landfills being contaminated or containing products that would in fact lead to the deterioration of the liners of those landfills. That's the real advantage in some of the hazardous waste programs that are being put in place by municipalities across the province.

This is just part of our partnership efforts, with business and institutions, to reduce waste and to use and make products containing recycled materials. Our waste reduction office has brought together working teams made up of industry, labour, government and environmental group representatives to develop strategies for the reduction, reuse and recycling of construction and demolition materials, plastics, paper and rubber and for the composting or direct land application of natural organic materials.

We're working with institutions and businesses to establish employee-run waste reduction programs in the workplace and to encourage them to use products and packaging made of recyclable and recycled materials. We're teaming up with trade associations and unions to develop industry-specific waste reduction strategies. We're working closely with municipalities to ensure that they have what they need to plan and carry out effective waste reduction programs and to finance those programs adequately.

We are also making a serious effort to cut red tape in the assessment and approvals processes. This will expedite

the development and setup of these programs while maintaining high standards of environmental protection.

In all these areas, we're working as partners to develop and implement effective and efficient programs. In the end, regulations will be established to ensure that all are treated fairly and stand on a level playing field with their peers.

Individually and collectively, people are more accountable for the waste they generate in their homes, their workplaces, their institutions and their recreation facilities. They need information if they are to keep up with, take part in and take advantage of this progression towards a conservator society.

Mr Chair, I see you looking at the clock. I'm wondering whether you want me to try to keep to the half-hour, or whether I could be granted the time to continue and finish the few more pages I have.

The Acting Chair: I suspect most of the members would want to hear your statement.

Hon Mrs Grier: Thank you very much. I'm sure the same latitude will be granted to my critics when they come back with their comments. I appreciate that very much.

One of the major components of change in societal habits and attitudes is, of course, education. As a ministry, we are developing a province-wide education and information campaign on waste reduction, we're providing a referral service for people who want more information on waste reduction topics and we're promoting the benefits of home composting.

This has been very well received by the public. The request for phone calls and tips during Waste Reduction Week generated a flood of phone calls, and from the calls and the tips we received last year, we were able to incorporate new ideas into our programs and into the education programs we had for Waste Reduction Week this year. I think that's what enables people to feel that in fact they are making a difference and have a role to play. As we members of the Legislature all know, there are an awful lot of good ideas out there among our constituents, and we have to find a way of putting them into the policy-making process.

An important education initiative that we've worked on with the Ministry of Education is known as TAG, for teaching about garbage. I didn't think schools would want to teach about garbage, but there is enormous enthusiasm for this kind of course, which we have piloted in a number of primary schools. I spent a morning with one of them earlier on this month.

TAG attempts to integrate waste management topics into a variety of study areas including science, mathematics, visual arts, music and literature. Education kits for students from kindergarten through grade 6 have been tested and will be distributed to schools during October and November. The program eventually will cover students all the way through senior high school. I think that's particularly appropriate, because I'm sure all of you, like me, have run into adults who rather shamefacedly confess that they are using refillable bottles or using a composter because their children had come home from school and told them that was what they had to do for the environment. We intend to build on that kind of initiative.

The province's schools have already shown great interest and support for recycling. Our Student Action for Recycling program, known as Star, is a big success. The objective of the program is to get 5,000 schools recycling by 1994. To date, more than 3,500 schools from about 50 school boards now participate in the Star program. In co-operation with organizations such as the Recycling Council of Ontario, we are promoting public education campaigns such as Waste Reduction Week and Zero Garbage Day. We are working with municipal recycling coordinators on public education for their programs and with educators and school boards to develop a school curriculum program on waste management from kindergarten to grade 13.

In accordance with the fourth policy direction which I outlined at the beginning of my ministry, the importance of being a green government, the Ontario government is committed to a comprehensive approach that makes the environment an integral part of its decision-making process. For example, six ministries were involved in the work of the Ontario Round Table on Environment and Economy. The round table has developed strategies for creating an environmentally sustainable economy in Ontario. Last month, I released the round table report, which was titled *Restructuring for Sustainability*.

The work of the round table puts Ontario in the forefront of a worldwide movement towards sustainable development. Also, I think it has been a clear demonstration of the value of bringing a variety of groups together, the multi-stakeholder consensus-building process—to use the jargon that is applied—which I think has been shown very clearly to work, not only with respect to the round table but in other of the partnerships I've identified in my comments here today.

There are essentially two major messages in the report of the round table. First, as our government said initially, the health of the economy and the environment are indivisible and the economy and the environment must work in harmony. You cannot have one at the expense of the other and hope to sustain both a healthy economy and a healthy environment over the long term. The second message is that the way we make our decisions must change, particularly our economic decisions.

The report of the round table outlines four key strategic directions that were developed from the six principles articulated in the round table's challenge paper issued early in 1990. Those six principles have been widely quoted and adapted and I think are worth repeating for this committee today.

The first is anticipation and prevention, and I've already referred to that. We must put environmental concerns at the core of the decision-making process, and it is both cheaper and better to anticipate and prevent instead of reacting and curing.

The second principle is full cost accounting. If we take into account the true environmental costs of our activities and build that into our decision-making process, we make better decisions.

Third, those decisions must be informed. We need good information and informed decisions if we are to protect both the environment and the economy.

The fourth principle is living off the interest. Interestingly enough, that is a principle the business representatives on the round table had no difficulty in articulating, finding examples of and applying to environmental principles, but one which I think people in the environmental community have perhaps not paid enough attention to in the past or not articulated as clearly. Living off the interest requires that individuals and companies put back more of the renewable natural resources they extract, recycle as much of the non-renewable materials as possible and search for alternative materials.

The fifth principle was quality over quantity, which involves, among other things, insisting that suppliers provide products that last, using our strength as consumers to look for better products and lasting products, making sure that planning mechanisms consider ways to reduce energy consumption and water consumption and doing everything possible to encourage recycling.

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The final principle is the one in which the aboriginal representatives on the round table made a very particular, important contribution, the principle that we have to always have a respect for nature and the rights of future generations.

Application of these principles will ensure that Ontario moves towards sustainability, and they contain recommendations that apply to all of us, whatever our role.

I'm very proud that the round table was able to reach a consensus on some critical issues and also that the government is already acting on this report. Many of the activities of my cabinet colleagues reflect the thinking of the round table, and it was interesting as the round table completed its work to see how much of what it was doing was complemented by the work of the Task Force on the Environmental Bill of Rights or by the work of the Sewell commission and the Crombie commission and policy development initiatives from other ministries.

The report of the round table does not spell the end of the round table. It is indeed the end of the beginning. The round table will be renewed to promote the implementation of its recommendations and to foster more local round tables and workplace round tables.

In addition, my ministry is coordinating the provincial response to the Royal Commission on the Future of the Toronto Waterfront, which was headed up by David Crombie. The royal commission has recommended options for fostering waterfront development in ways which are environmentally sustainable; the waterfront regeneration trust will be carrying forward that work.

The Crombie commission, I think, popularized the concept of an ecosystem approach to land use planning and established those clear nine principles that are essential to waterfront policy, that we must have clean, green, usable, diverse, open, accessible, connected, affordable and attractive waterfronts; simple understandable words that I find are being repeated again and again in communities around the province.

The process that the Crombie commission used, working with all levels of government, different agencies, community groups and other interests, including the private sector, was

one that developed a set of common goals which both protected the public interest in the waterfront but did so in ways that were compatible with job creation, economic development and a healthy, accessible waterfront.

We have begun to implement those recommendations by the introduction of legislation to establish the waterfront regeneration trust, by adopting the ecosystem approach and the nine principles of waterfront policy, by approving and beginning to implement the waterfront trail that was recommended across the greater Toronto area. We've declared a provincial interest in the east Bay-Front port industrial area and played a major part in the environmental audit for that area, and have asked the regeneration trust to develop policies to deal with the area known as Garrison Common and also the Gardiner-Lakeshore transportation study as well as shoreline regeneration.

Nowhere, of course, is the ecosystem approach to land use planning more apparent than in the Niagara Escarpment plan, a plan that was adopted by this Legislature with the support of all three parties. I'm very proud of being able to have strengthened the Niagara Escarpment Commission by the appointment of members who strongly support the protection of the environment and the escarpment, and we have further supported the escarpment by purchases of land such as the 390-acre Lac Minerals property in Halton, which was threatened with development and which by negotiations will now remain in the public domain for ever; land which includes a mixture of hardwood forests to wetlands, a small stream and open fields.

A number of other ministries have initiatives under way that respond to the Crombie commission's recommendations, and that's all part of being a green government. A number of other interministerial initiatives that I have taken also involve environmental protection.

My colleague Health minister Frances Lankin and I have announced a strategy to treat and dispose of biomedical waste. The strategy makes Ontario self-sufficient in handling biomedical waste and involves the phase-out of inadequate hospital incinerators in the future.

The Ministry of Energy is taking the lead on the province's green industry strategy. The ministry is charged with developing plans and programs which would stimulate the growth and expansion of Ontario industries, producing globally competitive products and services.

With the sustainable forestry initiative which was developed by the Ministry of Natural Resources, the government is developing sound new changes to forest management practices through public policy development and consultation.

John Sewell, in heading up the Commission on Planning and Development Reform in Ontario, which reports to the Ministry of Municipal Affairs, is looking at ways to green the planning process and restore confidence in planning at both the municipal and the regional level.

Regional operations are a very important part of my ministry's work. They are the front line in our regional operations division and receive approximately 54% of our budget. Our regional staff are best able to appreciate the true cost of years and decades of environmental abuse and neglect. These are the people who oversee the cleanups of

long-standing pollution problems, such as the PCB problem in Smithville. We will soon finish incinerating the PCBs stored at that site—stored improperly and in a way that contaminated very large areas of the ground. It will have cost more than \$30 million to get that job done properly, and this year alone we will spend \$5.9 million on that cleanup.

Other costly remedial efforts that are under way include a \$5-million pipeline for the village of Manotick to restore contaminated water supplies. We've also spent \$8.4 million to date to compensate the regional municipality of Waterloo for costs incurred due to water supply contamination in Elmira. More costs are expected in the future to correct these problems. The exorbitant cost of these cleanup projects underlines the need to prevent pollution from occurring in the first place.

Enforcement is a very important part of my ministry's programs and we are committed to strictly enforcing Ontario's environmental laws and to getting the message out to would-be polluters. This past June I released the ministry's first ever annual report on environmental charges and convictions. Offences Against the Environment, as we called it, is a record of the names of all individuals, companies and institutions convicted of environmental offences in this province, a who's who of polluters in Ontario, and we strongly suspect that those companies and individuals who found their names on the list will attempt not to be there again. In the past we released only general numbers with no detailed breakdowns or names.

In addition to serving as a deterrent, the report increases government accountability by giving everyone access to the details of this information in a public document.

I should note here the contribution made by my predecessor, Jim Bradley, in making the investigations and enforcement branch such an important and effective tool for environmental protection. This is a trend which I have continued and accelerated since I became minister, and our investigation and enforcement branch is often visited by people from other jurisdictions around the world and looked to as an example of a way of policing the environment and making sure that the rules and regulations are adhered to.

There has been a 30% increase in the number of convictions in 1991 compared to 1990, and 1991 was a record year for total fines: 485 convictions resulted in \$2.575 million in fines. These numbers show that we've improved our enforcement activities, and they also show that judges are handing down sentences which reflect the seriousness of environmental offences. Consider the case of Severin Argenton, the president and owner of Varnicolor Chemical Ltd, who is now serving eight months in prison for offences related to the storage of hazardous chemicals.

Judges are also making increased use of creative sentences. One company was ordered to pave a one-kilometre stretch of road after being convicted of discharging dust. Another was required to establish environmental scholarships worth \$30,000 at Lakehead University after spilling oil into the Kaministiquia River, and other companies have been stripped of profits or required to set up trust funds and training programs, and one was required to make a

contribution to a non-profit recycling operation in its community. So we think that the courts are being very creative and that these are good ways of both acting as a deterrent and drawing attention to the effects of crimes against the environment.

As Minister of the Environment, I'm exercising my responsibility to deal with environmental problems which stretch beyond Ontario's borders.

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With respect to global warming, the Canadian government is committed to stabilizing greenhouse gas emissions at 1990 levels by the year 2000. I have been working with other ministers of the environment across the country to press my federal counterparts for specific actions as part of the national action strategy for global warming and there are actions that my ministry is taking. We are developing our own strategies to address global warming by cofunding studies of greenhouse gas inventories and measures to reduce gas emissions, by reviewing economic projects and the costs of action and by organizing stakeholder consultations with respect to the action plan.

To deal with ozone levels, we are continuing to implement Ontario's program to control ozone-depleting substances. This program involves eliminating the use of CFCs and developing ways to capture and reuse them.

Currently, we are developing a program to strengthen legislation ensuring the capture and recycling of refrigerants. A stakeholders' forum was held just last month, the information for which is now being reviewed, in order to improve that program.

My ministry also is continuing to monitor the progress of Ontario's four major producers of acid gas emissions as required under the Countdown Acid Rain program. While the reports show that these companies are on target for meeting their 1994 reduction targets, we're looking for ways to improve this. A consultant's study is now being undertaken to evaluate abatement technologies and costs required to reduce acid gas emissions beyond the 1994 limits.

We continue to work with our federal and local counterparts on the remedial action plans developed for 17 areas of concern on the Canadian side of the Great Lakes. Fourteen stage 1 reports have been submitted to the International Joint Commission and the remaining reports in this series, which identify environmental conditions and problems, will be submitted to the IJC this fall. Four stage 2 plans containing recommended options for implementation will be completed in 1992, with the remainder to follow in 1993.

We don't need to wait for completed plans before we begin implementation of remedial efforts. We're working to upgrade a number of sewage treatment facilities—that's part of the capital expenditures I referred to earlier—and our Clean Up Rural Beaches program has had additional funding.

We are also negotiating for a renewal of the Canada-Ontario agreement. The Canada-Ontario agreement review team directed the preparation of a draft paper which lists priorities for the Great Lakes' cleanup. These are: the implementation of the remedial action plans; the protection of Lake Superior, Lake Ontario and the Niagara River; and, of course, our programs on pollution prevention. Within

the next six months we anticipate that a strategy will be developed culminating in federal-provincial resource-sharing arrangements. We will not, however, be rushed into any agreements without ensuring that Ontario's requirements are looked after.

I am also a full participant in the activities of the Canadian Council of Ministers of the Environment. Some of the issues to be addressed by the council in the next two years include global warming, air quality, solid and hazardous waste management and a follow-up to the United Nations Conference on Environment and Development that was held earlier this year.

As you can see, the work of the Ministry of the Environment covers a wide range of activities, and some of those, upon which I have touched only briefly, I'm sure will be the subject of questions over the continuation of this committee's work. Our activities range from investigating small spills to participating in complex negotiations on global environmental problems.

I believe my ministry is carrying out these duties responsibly and effectively. We've built a strong record of achievements in the last two years, a record that we expect to build upon and improve upon in the coming years.

I look forward to discussing all of this in much greater detail and I thank you for your patience for what has been an overly long presentation.

The Acting Chair: Thank you very much, Minister. Now will be the turn of the Liberals. Mr McClelland.

Mr Carman McClelland (Brampton North): Minister, thank you for your presentation. In view of a number of factors—I understand that you have some time constraints and, quite frankly, I think that the greater benefit for certainly ourselves and members of the committee is generally achieved in, if you will, the questions and exchanges on the more specifics.

I say this with no hidden pejorative slant whatsoever. I think it's easy for anybody, myself included and yourself, to talk in general terms, and we all have a tendency to do that in this business. I think that perhaps as we get into some of the line item discussions, we'll be able to more clearly understand what you're doing and hopefully be of assistance as we fulfil our roles in respect of roles and responsibilities in opposition.

I think too at the outset I'd like to comment that perhaps one of the easiest positions in the world is to be in the position of a critic. It has often been said that anybody can knock a barn door down—actually, there's a bit more colourful language that I think goes with the little saying—but it takes an individual with skill to hang one properly.

Indeed, one of the failings of opposition in our system, I think, is to quickly get into a negative mindset and to begin to look for all the things that are wrong, to begin to look for the part of the glass that is half empty instead of looking at the things that are full. But indeed part of what we need to do is to measure goals and objectives against what is actually happening. I appreciate your coming here today and beginning to set out, first of all, the framework of the policies upon which you have undertaken the discharge

of your responsibilities as minister, and then some of the specific programs.

My comments at this point I hope will be brief—my colleague Mr Eddy wanted to make a few comments as well—and they will be, I suppose, a preface to some of the questions that will be coming.

I will want to explore with you the area of enforcement. I thank you sincerely for the tribute paid to your predecessor and your colleague and friend and my friend Jim Bradley in terms of that effort and some of the other efforts that were undertaken or begun under his leadership.

I think again in the area of enforcement, if I can perhaps draw maybe an all-too-thin thread, but draw a thread to the changing mindset that you talk about with respect to moving from a consumer to a conserver society, the whole concept of enforcement, as beneficial as it is and as necessary as it is, is something that we need to balance in terms of the prevention up front. I appreciate the fact that you talked first of all in terms of prevention and secondly in terms of enforcement.

I start with the enforcement because I think implicitly in your comments and the way that you framed them you're giving primacy to the prevention aspect of it, and the enforcement is what comes after the fact and deals with those that fall through the cracks in terms of prevention for any number of reasons. I respect that position, and I think it's more than coincidental that you ordered your comments in that sequence.

The enforcement aspect of the Ministry of the Environment raises some concerns with myself and my colleagues in opposition and indeed, I think, with people generally involved in the environmental community in the province of Ontario.

Through our questioning a little bit later on, one of the things I'd like to try to draw out is the extent to which our enforcement is concentrated sometimes, and not with any sense of malice, on companies, organizations—the corporate sector, if you will—that are trying to play by the rules; in other words, those that aren't maliciously and wantonly breaking the laws of the land. I'd like to explore with you and with your staff the extent to which we effectively use enforcement to deal with the bad actors.

I'm looking for and obviously don't have a good description, but I think you know what I mean, Minister, because of your experience and involvement for many years, that there are many organizations, many companies—let's just use the waste management companies as an example—that try to abide by rules, that try to abide by the specific requirements of the law in filing and in the submission of documents and in adherence to the requirements that are running with their certificate of approval.

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There seems to be a tremendous amount of concentration of enforcement effort making sure that they obey, if you will, the letter of the law, while at the same time I think there's fairly ample evidence, which I hope we'll be able to explore, that there are those who would blatantly disregard the spirit of the law as well as the letter of the law, and many of those are being missed.

I think that's something that we'd like to see a move towards and a concentration on, with the assistance of those players in the marketplace that are doing their best and their utmost to comply with the rules. In other words, I think that they're looking for a level playing field and I think that we have a responsibility to move towards that.

I'm interested in your comments with respect to our international and national involvement. As I said, it's all too easy to be critical. I'm somewhat hesitant to next say that we have some concerns about what's happening with waste management in our interrelationship and our interaction with the marketplace in waste management internationally; what's happening with the IC&I sector and the shipment of waste that you refer to and how we are going to resolve that; the apparent contradiction that we see in terms of the government policy being established that says that municipalities must deal with waste locally, at the same time knowing full well that there's a tremendous amount of transborder shipping; the distinction, if you will, between household and IC&I sector waste and how we're going to wrestle with that and some of the rationale for that apparent distinction and apparent application of different rules for different sectors. I'm sure we'll have an opportunity to deal with that in some detail.

You referred to our role as the province of Ontario in the national scene and your role with other ministers of the environment, the provincial ministers and the federal minister. I have some concerns in terms of the Waste Management Act and part IV that we've talked about and as you made reference to in your earlier comments in another committee—and many of the members, many of our colleagues sat on that committee—with how we mesh, how we stay in sync with what's happening in the rest of the country.

I do not want to suggest for one moment that the lowest common denominator ought to prevail, recognizing that Ontario has a role to play in terms of leadership and that we have played that role and I believe will continue to play that role, but at the same time must be in harmony with what's happening with the rest of the country and elsewhere in North America, as we very much recognize that we're very much tied into a North American marketplace.

I'm sure my colleagues and I will be talking about that as we get into some of the line items as well and will simply say that we have concerns with the fears that have been expressed by a number of organizations, a number of enterprises, in terms of the potential of falling out of sync with the national packaging protocol and how Bill 4 might impact that.

What kind of tax structures are being contemplated? Are you thinking of moving to a half-back system? Certainly, with the regulatory empowerment under the Waste Management Act, we would like to have, and hope that you would be able to give us, some specific ideas of where you're planning to go with that. We'd like to know where the regulations are in terms of their development under part IV.

I know that we've had the initiatives paper and you have had the initiatives paper and some exchange related thereto, and that is the genesis of and the beginning of the development of your regulations, so we'll have some specific questions we'll want to deal with on that.

If I can work backwards in terms of your four principles or your four basic policies, Minister, you mentioned the green government and the round table. I've asked you questions in the House and had some concerns, and I appreciate your response in the House to concerns with respect to the future viability of the round table. We're delighted that this is continuing and that you have undertaken to see the round table remain viable and an important part of what's taking place in this province.

You mentioned that six ministries are involved, and we'd be interested in knowing to what extent other ministers are becoming actively involved in showing leadership and providing the kind of leadership we think is essential to see the round table continue to be viable, the overall implementation, again not in terms of just general policy and concepts but the specific line-by-line operational manifestations of the policies, the six principles the round table has adopted in terms of the greening of the Ontario government.

Allow me to backtrack just a little bit in terms of the enforcement issue. It's easy to jump on the things that people miss; it's easy to jump on the top part of the empty glass of water. But I think in terms of the "refillable" regulation and the tremendous erosion in terms of the numbers, your previous commitment, and commitment stated numerous times, to ensure that the enforcement of the soft drink industry's refillables is in compliance.

I don't need to tell you that their required refillable quota under the regulation is 22.5%, and you had indicated your desire to see a 30% achievement. Yet we find as of the end of the summer we're below 6%, in fact at about 5.4%. I found that as I called the enforcement branch this morning they had no idea initially. They said they'd take two and a half to three hours but they would provide the information later on.

I just use that by way of example, saying that I think we have to begin to take a look at what we have in place and do that well, as well as looking at the future initiatives. I think sometimes we can get caught up in the plans and in the rhetoric of where we want to go.

I'm concerned about skipping back to your basic policy of the consumer and conservator society as it impacts waste management. I don't want at this point to begin to revisit Bill 143 and the issues that are related thereto. We'll have ample time to do that during the exchange and interaction in the House tomorrow. Tomorrow, Mr Cousens, is opposition day with respect to waste management in the greater Toronto area. So we'll save that investment, I hope, for tomorrow and subsequent days.

Hon Mrs Grier: I can hardly wait.

Mr McClelland: I'm sure none of us can.

The Acting Chair: We'll all put that on our calendars, to be there. Sorry, go ahead.

Mr McClelland: Come early and intercede. We won't have quite the response that our friends down the street are having right now. I might add, and this is totally unrelated, that I just glanced up at the screen in relation to that comment. We won't tell for the record what's on the screen, but I asked some of our colleagues if they'd be in the

House today and a few of them assured me they'd be in the House. They added parenthetically, "The house that Paul Godfrey built." That's where some of them are today. Were it so that all of us could be there at the present time.

In terms of the movement from the consumer society to the conservator society, Minister, one of the things I'd like to explore with you and with your staff is the extent to which we collectively stand back from problems and begin to look at the long-range impact of apparent solutions.

It's easy for any of us—and I've done this so many times. I have fallen into the quick-fix solutions in my mind. I'd like to discuss some of those areas with you as we look at moving to achieve the goal of a conservator society. You mentioned the 21% reduction. I have to ask you how much of that is attributed to the reduction in the industrial, commercial and institutional sector that is perhaps going out of the country in terms of the recycling.

Has that been accounted for in our benchmark measuring back to 1987? How much of it is attributed to reduction in the production simply as a result of the economic realities in the province today? What will be the impact of part IV of the Waste Management Act when we begin to do audits, and what kinds of benchmarks are we going to use? How are we going to begin to give practical meaning to the implementation of the regulations that we're anxious to see coming forward?

1640

In terms of the education initiatives, think of the Environmental Youth Corps, an opportunity this summer past where literally thousands upon thousands of young men and women were looking for work, yet we had a reduction in the raw numbers of people employed, as I understand. We'll have an opportunity to explore that. You look at me quizzically and I'm sure you'll correct the record if that is misinformation, but my understanding is that we had a reduction of the number of young people employed under that program. That's an area of concern we want to discuss with you.

Moving back to your number two, protection programs based on the concept of prevention, you mentioned the petroleum regulations. Where are we going with the other MISA initiatives? What's happening with pulp and paper? Where do you stand on your commitment made previously in terms of the organochlorine issue and a whole variety of issues that will fall out of that? I raise this again, as I said, just as a general preface to our discussion that will take place in more detail.

The environmental bill of rights—I'm looking forward to that document. Again a major change, a departure from what we had originally contemplated, I think it's safe to say, and from what you had originally contemplated to what we have now. I'm not necessarily saying that's worse, but certainly different; perhaps much better in some respects. That will be an issue of some discussion, but the fact of the matter remains that we've had a significant change from what was said was going to be done and what in fact was done.

Therein, I suppose, lies the thrust of what I want to do and what we would like to do during the few hours allotted to us for estimates with the Ministry of the Environment.

What is the practical and real implementation of the words that you said—and I appreciate your candour; they're so easy to run off, the euphemisms we get caught up in, the jargon of the day.

I look forward to the page-by-page, sometimes tedious, work of going through estimates to ask some of those questions to find out where we're going as a province; to find out where the ministry is going and to see how we measure up, how we square up, if you will, some of the conceptual ideas we have paid lipservice to, some of which we have achieved and many that remain ahead of us as challenges.

With those basic comments, I'm going to defer now to my colleague and await your response to that. As I said, I look forward to next week when we begin to address some of those issues in a very specific way, indicating again—and I want to say this—that as we go through this process, one of the easiest things in government is to be a critic. The hard part is to be a critic and to try and offer, collectively and in a sense of harmony, some practical solutions.

I hope we might even have, if you will, a sense of forthrightness and honest exchange that perhaps we haven't experienced at the estimates process, where we can really get down to some nitty-gritty and talk about things and say: "Here's where we're falling off the mark. Here's where we need to move forward. Here are some things where we basically have to abandon our plans, for whatever reasons, or change them significantly." That may not be the case; we may affirm the direction we're going in.

As we look at the line-by-line items in the context of the four principles you've set up, your four basic policies and some of the principles, and look at the regional operations, the various departments in the ministry, I think it'll be a useful exercise, certainly for me in my role as critic and, I hope, for all of us involved in the process as colleagues in the House.

Mr Ron Eddy (Brant-Haldimand): What did he leave me, 20 minutes?

The Acting Chair: Yes.

Mr Eddy: Thank you, Minister, for your presentation. I appreciate the information you've submitted to us. Very briefly, I have two or three things I'd like to mention.

Number one is ethanol. I noted that you did not mention ethanol at all, and it seems to me that's one of the sunrises on the horizon, especially with the new process developed by Queen's and now purchased by Seaway ethanol co-op. I was interested and pleased to note that ethanol can be added to diesel fuel and heating oil, as well as gasoline. It seemed to me that was a great improvement, realizing that it's from a sustainable production of corn and indeed other products. It has tremendous potential, and I hope you do whatever you can to further use of it.

It's one of the things I have the most inquiry about in rural areas: How can we get using it more, and when can we get a plant going? Of course, that's why we were so interested in the proposal of Sunthetic Energy Inc of Sudbury, which I guess would use corn mostly as well, which is hopefully grown every year.

I had a concern about the regional operations, and you mentioned adequate enforcement. I'd like you to comment at some time whether there is a backlog, whether you feel it is indeed adequate enforcement, because a great concern is expressed from time to time about the cheaters. I think of the tractor-trailer transports at night on rural roads and that type of thing; very difficult, but they're out there, apparently.

The other concerns I note are with the easy access to our rivers, which are used for drinking supplies. I think of the St Clair River, where the frequency of chemical spills could hardly be tagged with the term "accidental," in my opinion. It's one thing I always wanted to speak to, because I've felt the urgency to take all those drains to the St Clair River and contain the thing. Of course, you're faced then with the possibility of soil contamination. In my own riding I'm thinking of the Grand River, where from time to time there are chemical spills, and they do affect drinking supplies.

The final item is, I noted the expansion and improvement of municipal sewage treatment facilities. That needs to be an ongoing program. It's my understanding there are many that are beyond capacity and certainly causing problems and needing attention.

Thank you for your presentation.

The Acting Chair: We will now turn to the Conservatives.

Mr Cousens: I'd like to congratulate the new deputy minister on his appointment. Mr Dicerni, I haven't met you before, and I wish you great success and much satisfaction as you do a most important job as a public servant in Ontario. I commend you on this appointment.

I also commend your staff and your ministry. I have always felt, especially since last estimates, when we worked out a few understandings, that your ministry has been most professional in the fulfilment of its responsibilities as a service, certainly in response to my questions and the things I needed. On behalf of the province of Ontario, I would like to go on record as saying you have excellent people and they're a credit to the system. I wish you'd somehow keep them motivated in doing those things that are right and good for the province of Ontario.

Mr Gilles Bisson (Cochrane South): Can I have a clip of that for my householder, please?

Mr Cousens: If you give full credit to the Tory party and Don Cousens.

Mr Bisson: It's something unbelievable I just heard.

Mr Cousens: In reviewing the comments by the minister, the fact is that there are a number of things going on within the ministry that have our support and encouragement. I think as we continue down the road with the 3Rs, with very lofty targets by the year 2000, the commitment not only by the minister, ministry and government but certainly from our party to see us continue in that direction is something we give our fullest support to.

I'm just going to touch on some of the issues that were highlighted in the minister's statement, but not all of them, because I have some other remarks I wanted to put on

record that will be the direction of a series of questions that we would like to present.

1650

It's too bad that not everybody agrees with the minister on the value of the environmental bill of rights. It's a step forward. I wish you'd change the name of it from being an environmental bill of rights to something that really reflects what it is. It's a new system of reporting. It has a number of benefits to it, but to call it a bill of rights I think builds it into a level of expectation in the public of what it's going to do. But this is not the place to argue that bill. I look forward to the minister tabling it in the House, when we will have a chance to discuss it more thoroughly. With the consultations ending this Friday you will have a chance to do it, certainly in your fullness of time. I didn't know what date you plan to table it in the House; you didn't really say.

We've really worked Bill 143 through, but it sure is a powerful instrument. We agree on that one. You have one instrument there that gives you a tremendous amount of power. We didn't have anything to do to stop it, either; had there been a minority government, I can assure you there would have been other ways of working that one through.

I'm encouraged by the Toronto waterfront regeneration trust and supported that as it was processed through the House. Wasn't it Bill 1? It was symbolically the first bill of this session. I am also pleased by the way in which you have Mr Crombie and others involved in that program.

I worry about PCBs and I'm surprised that you highlight it as one of the activities you're proud of. We still have well over 1,000 licensed sites in Ontario, including this building, where there are PCBs, and though Smithville is a horrible situation, there are indeed many other sites that need to be addressed. I haven't heard you indicate what your long-term plan is for PCBs. It would be interesting to hear that some time, maybe during estimates, if you feel you've got something to say.

When you talk about your enforcement procedures, I find it a little laughable when you indicate that there were 481 convictions in 1991.

How does that compare with the situation where, in Mount Hope, we had an incident. P&L Recycling is owned by the Musitano family, and they were charged with \$2.4 million in fines for failing to comply with the Environmental Protection Act; the court finally came out with a fine of \$5,000 because the Ministry of the Environment lawyer said that was consistent with others charged in the incident. There were two partners fined \$5,000 each, and the mother I think was fined \$1. The fines didn't come close to paying for the cleanup, and I understand that the \$1.2-million cleanup was awarded to Ani-Mat in Quebec. Are they the only ones who can do such a cleanup? What happens to some of the Ontario-based corporations that could qualify, and how is it awarded? I understand that some eight companies bid on the proposal, and I'd be interested in how those bids were finally—it doesn't have to be answered verbally. It would be interesting to receive a copy of those who were bidding and how your government settled on that company.

There's also some concern about where the tires were being shipped. I heard that some 800,000 tires were going

to be shipped to Indiana and there they'd be burned. I just don't know what's happened to it.

I'd be interested in how that one ranks against all your other enforcement ones. Is that what you'd call a good win for the ministry and a good win for the public of Ontario? Some explanations there could be interesting. The whole tire problem continues to be a terrible situation, and I don't think you have begun to look at that.

Ozone depletion: I'm glad you mentioned that and the refrigerants and some way of addressing it. The US Clean Air Act is going to require any company that uses CFCs, halons, tetrachlorides or other substances that are dangerous to the ozone layer to label their products as of April 15, 1993. It's all part of the implementation plan of the EPA out of Washington—quite an impact. What is Ontario or Canada doing by comparison? I don't know. I'm interested in it, because I think we've got to start facing up to the problems of the ozone depletion.

Young families now don't let their kids out in the summertime without putting sunscreen on them. It really won't be long before those cartoons we've seen of people wearing shields right over their whole bodies will be a fact, if we continue to destroy ozone. It's not a small problem; it's a major crisis of huge proportions, and if there is anything I can do to help accelerate urgent action on that, I would be very pleased to do so. I have great fears of what will happen to our grandchildren with that one.

But how do we tie it in so that all of North America is somehow working towards the same end? Certainly the US is acting very decisively under the Clean Air Act. Problems are being created by the decisions: How is it going to be monitored? What are the alternative substances you can use instead of CFCs? It's a subject of discussion that interests me greatly.

The fact that you discuss sulphur dioxide and acid rain concerns post-1994, the fact that you have a consultant study looking at it now, is, I hope, at least in response to the resolution on acid rain emissions that was passed almost unanimously in this Legislature and that was tabled by myself. Again, air, water, land: the three major areas under which the environment acts. Then you've got your legislative role, but I have to say, tell us when that consultant study is going to be released and tell us what you plan to do.

Maybe it's not unlike some other decisions that have come out of the ministry, where you might be wise to hold off until you really make up your mind. When we had the standing committee on estimates on February 18, 1991, on page E-174, at that time the minister, when talking about Metropolitan Toronto and Kirkland Lake in response to a question from me, said: "No, the agreement that exists between Metropolitan Toronto and Kirkland Lake is still valid. What was discussed last week was a further study to look at how the rail haul of waste would work in cold weather, and Metro decided not to proceed with merely that aspect of the discussion." But then by around April 4, 1991, I guess, you'd reversed your position on it.

I can see how in some of these discussions, if we are able to get you to put something on the record, we're going to be able to come back to Hansard and show how you've

changed your mind in between. That was an example. At that time, you were in favour of the Kirkland Lake proposal—

Hon Mrs Grier: I'd ask you to read it again very carefully, Mr Cousens; I'm not sure you can draw that conclusion.

Mr Cousens: Well, I'll read it out loud:

"Mr Cousens: That would be very helpful. So Kirkland Lake is not excluded, then, from the plan and you see it as a temporary withdrawal from the city of Toronto, Metro Toronto, so that you have not excluded that at all by any of the action that you—

"Mrs Grier: No, the agreement that exists between Metropolitan Toronto and Kirkland Lake is still valid."

You were really confirming that the situation with Kirkland Lake—

Interjection.

Mr Cousens: You'll have a chance. I've referred to it: E-174. It would indicate to me—get your legal counsel to check it if you want—that at the time you were in favour still of Kirkland Lake as a rail haul option, and certainly by April 4 you'd reversed that decision. My point is that I can understand why someone in your position doesn't want to put too much on the record, because it's going to come back to haunt you because we certainly read old records.

I'd be interested in the consultant study for acid gas and when you expect it to be released and when it will be public. If there are any interim reports on it now, I would appreciate seeing them. There is a tremendous amount there that is of interest to us.

I know our time is very, very limited when it's split up among the three parties, but there are a number of areas where I would appreciate clarification and updates. One of the issues I'd like to spend some time on, if we can schedule it, would be the Ontario Waste Management Corp, and there are a number of areas within the votes, 1504/3, where it describes the activity of the OWMC providing for "the design, construction and operation of a provincial facility for the management of liquid industrial and hazardous waste." I'm very interested in knowing how close this description is to the present activities of the OWMC. I note there's a need for such a body to perform the duties outlined, but wonder how close those activities are to the stated intention of constructing a hazardous waste facility.

I notice the size of the administrative structure of the OWMC and the number of people employed in areas of communications, public affairs and marketing. I want to know, if I can, the function that these people have in relation to the objective of the corporation.

1700

The OWMC received \$12.6 million in government funding. Is it possible to receive a further breakdown of this spending? I'd like to know what the priority areas are. Over the past 10 years, the OWMC has spent \$110 million or so, and I'd like to know what's been accomplished for that \$100-million-plus and what the long-term plans are for that organization.

The environmental assessment hearings are about to wrap up by the end of this year. Is that still a hoped-for date?

I know I can't raise too much on the Waste Management Act because that falls under your other portfolio, as minister responsible for the greater Toronto area, but I'd be interested in knowing how you are able to split your time between the two jobs and if there is any conflict in the kinds of responsibilities you have between the two areas.

On page E-174, we look at the environmental criteria for site selection purposes. I'm most interested in how you can have that and then have class 1 to 3 agricultural land, and yet come along—and some of those areas are certainly among those being considered by the Interim Waste Authority in the 57 proposed sites within the greater Toronto area.

Some of the waste management discussion papers—I hope we have a chance to get into some of them. Was there not a financing paper that's supposed to come out and when is it coming out? I'm interested in knowing what its status is. I have a number of questions that tie in to that.

The round table on the—my watch has stopped, believe it or not, so I've got to be careful. How much longer do I have?

Interjection: A long time.

Mr Cousens: No, it hasn't. I guess it's just—the ball game's going on. It seems like it's stopped. I know I'm looking forward to it.

Mr McClelland: The sun is still.

Mr Cousens: They're moving in there. At this point, I think the Blue Jays are far more interesting than—

Interjections: No, no.

Mr Cousens: Is there total agreement in the committee about Cousens and the Blue Jays?

Mr Bisson: We feel like that all the time, whenever you speak.

Mr Cousens: I know. I just—

Mr Bisson: For posterity.

The Acting Chair: Mr Cousens, Mr McClelland had a point of order.

Mr McClelland: I think this is an historic moment, Mr Chairman. It's probably the only time that my friend, Mr Cousens, would have complete unanimity in terms of all his colleagues agreeing with him. I'll leave it at that. I just think that we should pause and note this, because I would dare say that in the records of this House this has probably never happened.

The Acting Chair: It's not a point of order. Mr Cousens.

Mr Cousens: I think it's a rare time. I will take it as a moment that I will try to forget. Don't we all try to forget estimates once we've done it?

Anyway, on those discussion papers, I have a number of issues, so that if we can schedule something in there I'll be quite happy to raise the questions at that time.

I'm glad the minister touched on the round table on the environment. I really wonder what they're going to be doing in the future, but I don't think we'll have the time to get into it here.

Chlorine ban: I wonder what the ministry plans to do with regard to chlorine under the new MISA regulations. The forest products industry is quite concerned about the proposed changes, and I'd like to know what the minister plans to do and if we could be provided with the official status of MISA changes, if possible. I wonder also what studies have been undertaken by the Ministry of the Environment on the proposals with regard to chlorine and whether or not the minister has done anything to do an assessment of what's going to happen, the impact of those changes on the pulp and paper industry. I wonder whether or not the Ministry of the Environment or Natural Resources is having any meetings with the forest products industry and what is happening on it?

We've had many discussions in the past on the 30% refillable bottle quota, and then even this summer people had a chance to come to Queen's Park and talk about your environmental tax on beer cans. I'd be interested in knowing how you plan to deal with this industry and whether or not the 30% refillable quota on soft drinks has been enforced. What would be the effect on that industry if it's been enforced? Does the ministry have any understanding of what's happening with that, and if it did pursue it with vigour, how many job losses would take place, or just how can we deal with the issue?

I'm interested in the ministry's position on refilling alcohol beverage bottles. This is the question Mr McClelland should have asked, as one who would be more interested in those bottles, but there might be unanimous consideration on that as well.

Mr McClelland: I won't touch that.

Mr Cousens: You don't touch it. No, Mr Chairman, you'll behave yourself.

What discussions are you carrying on with the LCBO and my old friend Mr Brant? Is a deposit-refill system a viable alternative? Are there any comments you'd have on the Proctor and Redfern study? I'd just like to know what you see in the future there.

I want to know, if possible, something about the sewer and watermain corporation. Is that what you call it? I forget what it was going to be called, but Len Pitura's old job, what was that section called? The water secretariat?

Interjection: The water services corporation.

Mr Cousens: Okay, the water services corporation. I'd be interested in knowing how that one's proceeding, what plans you have and who's doing what, when, where, how, why, how much.

Biomedical waste: There's a 60-day consultation period following a discussion paper that was released by your ministry and the Ministry of Health on the management of biomedical waste. What's happened since the completion of that consultation period?

Illegal waste transfer stations: There are a number of operators of legal transfer stations complaining to the ministry's inactivity in dealing with illegal waste transfer operations. We talked earlier about enforcement. I want to get a sense from the minister or staff of how big a problem illegal waste management stations are and what you're doing to deal with the problem.

I'm interested in the environmental assessment reform process. What has developed since your announcement last May that major reforms on the environmental assessment process are being studied? Specifically, as you referred to in your presentation today, can you tell us what specific changes you've made? The fact that you're cutting down on the time from 120 days to 65 days, on average, is good and commendable, and maybe we can just see what it is you've done to do that.

Vote 1502: The transfer of payments to municipalities has to do with the \$25 million allocated to municipal recycling support grants. In a recent press release from the ministry dated October 1, it notes that the total grants to municipalities for the 3Rs is currently \$20 million. Will that figure grow to \$25 million by the end of this fiscal year?

I understand as well that \$4.1 million has been directed to industrial 3Rs activities. I'd be interested in knowing how the ministry intends that allocation to be used, where the funds are being directed. What is the total amount being spent on the 3Rs activities for 1992-93? Is there any thought on that? I'd just be interested in the dollar value and how much is being allocated.

I hope the blue box system survives. I have a worry, though, and I hear more concerns that it may not be surviving, that there may be some problems to it. If it does continue to thrive and carry on, that's good news, but I have a sense that it hasn't been thriving. It's also good that you say that all the products that are being collected in the blue box have markets and are being used. That is good. I had some worries about that one as well, and that is one of the concerns that people have out there. They think there are great big holes in the ground where you're just putting some of this stuff away. If you know that's all happening as it should, that will satisfy a concern that I think the public at large has.

I can't really pronounce this one as well as I should, but the Chinguacousy landfill site—

1710

Hon Mrs Grier: Chinguacousy.

Mr Cousens: I'd like to know a little bit more about that. I understand that a large percentage of the waste from the Mississauga train derailment in 1979 was disposed of at this site, and residents near there are worried about hazardous material that has been dumped there over a period of time. I'm just wondering what the activity of the ministry has been with respect to the closure of landfill sites such as that. It was closed in the early 1980s. Apparently, the regulations for closing sites at that time were not as rigid as they are now. I'd be most interested in knowing if people have some reason for concern, and if so, how we can alleviate that or address it.

I'd like to have a specific question answered—and again, this doesn't have to be done through estimates—the question, first of all, of grants to lobby groups which I raised earlier at previous estimates with this minister. I'd like to know why grants are provided to lobby groups. I'd like to have a list of all those groups that are receiving—I guess I could do this in an Orders and Notices question—grants, to Pollution Probe, the Ontario Environment

Network, the Canadian Environmental Law Association and other lobby groups, if I could get a sense of that.

One of the people I hope the minister can arrange to have come to these estimates would be the head or representatives of the Niagara Escarpment Commission. Mr Murdoch, one of the colleagues in our caucus, is interested in that. It has to do with the five-year review. He has a number of questions that might be worthwhile, if it's possible, for Terk Bayly. Is he the chairman?

Hon Mrs Grier: If I might, Mr Chair, certainly we can have representatives talk about the escarpment commission, but the five-year review is not something I can talk about. It has not yet been completed. The report has not yet been received by me, and it is inappropriate for me to make any comment on it until after it's been through that process. Certainly, we can answer questions about the operation and the escarpment, but not specifically on the five-year review.

Mr Cousens: I'm glad you confirmed that. I guess it will be helpful, then, for you to let us know when the five-year review will be complete.

Hon Mrs Grier: Certainly.

Mr Cousens: If, during the estimates, we have an opportunity, certainly Mr Murdoch would like to have a chance to raise a few questions at that time.

I happen to believe that the subject we're talking about is one of the most critical any of us can be involved with. If I have a worry, it is that it's too bad the government has not shown, at least to my satisfaction—the perception in my community and in the larger group is that the way Bill 143 was pushed through the House and the way in which the government has failed to look at other options of disposing waste has embittered a tremendous number of people on government processes.

The minister has taken upon herself or on that office certain powers of decision-making that take it out of the realm of an environmental assessment process or of other ways of developing decisions. The whole methodology that has been presented, rail haul or even incineration—I know the minister always says I want it, but I put it down as an option that at least could be looked at. There isn't even consensus in my own caucus on it. At least I think there are other methods that can be looked at, and the ministry has taken it upon itself to make those decisions. I'm convinced that if we had a minority government—we don't, so I can't dream in that world; it's Technicolor and it's too pretty. There is not much we can do about it. I have to say that it creates tremendous bad will between the ministry and certain parts of the public.

What I hope can somehow come out of it are some of Mr McClelland's hopes, and I'd like to echo them. There has to be a way in which we can work better together. I have a great sense of the fact that we are not working together at all, certainly between the opposition, myself and your ministry. It disappoints me greatly that there is such a total breakdown between myself, this minister and this ministry, which to me doesn't lead to anything that can be positive in the sense that we are working together. If

there is any way in which we can build those bridges again, I'd be glad to try to do it.

In the meantime, I look at the great number of issues. The seeming lack of willingness on the part of this minister to consult or work with this member of the opposition and my party is extremely frustrating. Bill 143, I think, epitomizes the extreme sense of disappointment I have in this ministry and this minister. I have to say that as I table these concerns, they're tabled with a great sense of concern about environmental matters. We will keep the emotions out of it.

If the minister is able to provide answers that address these concerns, I'll be satisfied that we've made progress. If we're able to make progress in other areas, then I'm certainly open to see an opportunity where there can be a better working together. My remarks at the end of this presentation are not a reflection on the public servants within the Ministry of the Environment or within the branch of the greater Toronto area but on the minister and her staff.

Politics sometimes has a way of driving huge wedges, and there was a chance that we could see something where there would be some dialogue. The example that took place this year, the grey water, was an issue in which this minister, after considerable presentations by just about everybody who has a vote, was able to back off on, back off in a way that she still made a good point; that is, that with the construction of new water vessels, there will be standards imposed and a realistic time frame in which those standards can be implemented. That again shows that there can be some working together of the ministry and opposition.

It's an example of where I think you made a point. A lot of people got educated, and awful fast. In the final analysis, it was up in Markham that the minister was able to make the announcement that she would not proceed with the grey water proposals as originally presented.

That's where dialogue and discussion on these issues can go an awful long way towards the establishment of a consensus and a direction people buy into, not unlike what the petroleum companies have done in the recycling of oil. That is an excellent way in which we can advance environmental agendas: Rather than doing it through legislation or regulation, those who are involved in any way within society accept responsibility and help fulfil society's mandate to improve this world in which we live, work and want to prepare for the next generation.

There's a heavy agenda before all of us, and I hope that somehow or other the efforts we make here in estimates can lead towards a better world. I have never before sensed within my own caucus a deeper commitment towards environmental matters and a sense of wanting to do it right and for the right reasons.

I also would like to say that the sense I have from my caucus is that when you and your ministry are able to bring forward such initiatives we can support, I can assure you that we will be very vocal in our support, as we have been vocal in our opposition on those things we disagree with.

That is a bit of a start. I don't want to take any more time. If there is any, we can put it into something else, Mr Chairman.

Hon Mrs Grier: I'd just say thank you to both my critics for the constructive approach we've begun this discussion of estimates with. I've certainly taken note, as have some of the staff, of the points that have been raised

and will be prepared to respond to as many of them as we can when I come back again, I think on Tuesday.

The Acting Chair: That's correct. The standing committee on estimates will now adjourn until next Tuesday.

The committee adjourned at 1721.

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***Acting Chair / Présidente suppléante:** Carr, Gary (Oakville South/-Sud PC)

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Sorbara, Gregory S. (York Centre L)

Substitutions / Membres remplaçants:

***Haeck, Christel** (St Catharines-Brock ND) for Mr Ferguson

***Mathysen, Irene** (Middlesex ND) for Mr O'Connor

***McClelland, Carman** (Brampton North/-Nord L) for Mr Ramsay

***Rizzo, Tony** (Oakwood ND) for Mr Perruzza

***In attendance / présents**

Also taking part / Autres participants et participantes:

Cousens, W. Donald (Markham PC)

Clerk pro tem / Greffière par intérim: Manikel, Tannis

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Assemblée législative de l'Ontario

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Official Report of Debates (Hansard)

Tuesday 20 October 1992



Journal des débats (Hansard)

Mardi 20 octobre 1992

Standing committee on estimates

Ministry of the Environment

Comité permanent des budgets des dépenses

Ministère de l'Environnement

Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 20 October 1992

The committee met at 1638 in committee room 2.

MINISTRY OF THE ENVIRONMENT

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We've been assigned seven and a half hours by the House and, according to our records, we have five hours and 40 minutes remaining. When the committee last met, the minister had completed her opening comments and the two critics had completed and used the time they required. According to our standing orders, the minister has six minutes remaining for her response. Madam Minister, please proceed.

Hon Ruth A. Grier (Minister of the Environment): Thank you. In the opening session I gave a very lengthy presentation about the underpinnings and philosophical and policy approaches of our ministry. My critics in their comments were kind enough to list a long series of issues they felt they wanted to have questions answered about. Essentially what we have done today is bring ministry officials from a variety of different regions and sections of the ministry who can respond to any particular aspect, so it seems to me that perhaps instead of repeating much of what I said the first time or me being the one to answer the questions—and I suspect that you also have a list of those topics—it might be more useful if I merely responded to the questions as they were re-posed, or identified for members what they had posed.

I know both Mr McClelland and Mr Cousens had raised the issues of enforcement and how that was handled within the ministry, as well as of course the waste management and the whole raft of other issues, most of which I had also mentioned in my opening remarks. I'm essentially in your hands as to how you wish to proceed to provide answers to the questions they posed in their comments.

The Chair: Minister, you have four and a half minutes left to use any way you wish in the form of a response. The specifics of the questions raised can be dealt with during the course of the full time. We'll be ordering up our business after those four and a half minutes, so you can—

Hon Mrs Grier: I don't think in four and a half minutes I can respond to all of the questions, so why don't we take it that I've had my four and a half minutes and get on with responding to the members.

The Chair: Very good. At this point then I'll call upon the committee to make some decisions—well, two announcements and a decision.

The first announcement is, if there are any written questions you wish to submit through the Chair to the minister and her staff, we'd be pleased to receive those. They are always helpful to the process and are helpful to the staff in their efforts at getting answers, since this committee will be called upon to meet next week as well. So that is helpful. To any of the critics or any of the members

who wish questions to be submitted in writing, please direct them through the Chair as quickly as possible.

The second is any requests for attendees. I understand from Hansard that Mr Cousens mentioned several, and certainly the committee wishes to hear from Jon Grant of the Ontario Round Table on Environment and Economy, Dr Chant at the Ontario Waste Management Corp, the OWMC, and Terk Bayly of the Niagara Escarpment Commission. These three clearly fall within the estimates that are currently before us. Mr Cousens's request is to have Erv McIntyre from the Interim Waste Authority, but I am advised that is from the Office for the Greater Toronto Area, which, although it is this minister's responsibility, is not in her capacity in these estimates of Environment.

I need further clarification for the record with respect to James MacLaren, the Ontario water services secretariat. I understand that is funded by several ministries. Could someone clarify for the record whether or not Ministry of the Environment funding does flow to this secretariat?

Hon Mrs Grier: Perhaps I could ask André Castel, the deputy minister, to respond to that.

Mr André Castel: Mr MacLaren is funded by the Ministry of Municipal Affairs, and we do not fund him under the estimates of the Ministry of the Environment.

The Chair: Thank you very much. I therefore have only three individuals in the form of requests, and I would certainly ask that the appropriate contacts be made to determine if they can attend on either Wednesday, October 21, or Tuesday, October 27.

The final matter is ordering up how members wish to proceed with these estimates, whether you wish to go by vote, by rotation. I am in your hands. I'll entertain a very brief discussion on that.

Mr Wayne Lessard (Windsor-Walkerville): I'm suggesting that we go by time, not by votes, and that we begin the questioning today with the official opposition and then move to the New Democrats, so we divide the time remaining in half. I don't think Mr Carr has any objection to beginning the Progressive Conservative caucus questioning tomorrow.

The Chair: That would be helpful. Any other comment? If not, I'll be guided by that suggestion. Mr McClelland?

Mr Carman McClelland (Brampton North): Just a point of clarification in terms of cutting remaining time in half. Are we going to seek to balance this—

The Chair: We're required to—thank you, Mr McClelland. I'm sorry for interrupting you. We must adjourn at 6 o'clock. We therefore have an hour and 15 minutes. We will divide that time, it's been suggested, if that's agreeable. Would you like a 40-minute period now?

Mr McClelland: We'll have it however it unfolds, whether it be 40 minutes in one shot—

The Chair: I'm in your hands as to when I take the floor away from you. Would you like half an hour, 40 minutes, 20 minutes? Just give me a figure and we'll work with that.

Mr McClelland: We'll start with the—

The Chair: Twenty minutes?

Mr McClelland: That seems reasonable. I was going to say half an hour and just save 10 minutes for wrapup. Why don't we do that? Half an hour and then we'll start the wrapup. Is that okay?

The Chair: That's fine. Are there any other matters for the committee? Then we'll proceed. Mr McClelland, please begin. Thirty minutes.

Mr McClelland: Thank you, Mr Chairman. I'm sure you'll advise me as we approach that 30-minute time period.

Minister, I wanted to begin by asking a couple of questions with respect to the clean air program. I looked back with some interest to 8 November 1989 Hansard and some questions you put to the then minister. You asked some very specific, hard-hitting questions, if you don't mind me saying so, with respect to the development of the clean air program, specifically regulation 308.

The questions you put to the then minister were basically these: "You've spent a lot of time studying, you've talked about this. Where's the program? Where's the regulation, and when are we going to see it?"

I'd like to put those questions to you at this time as well. Specifically, what is the status of development of regulation 308, pursuant to the Environmental Protection Act? Do you have a revised timetable? Where are we at in that matter?

Hon Mrs Grier: Let me start by reminding the member that the clean air program had, as he indicated, been prepared by Mr Bradley and was ready for consultation when I became the minister. One of the early things I did was to put that whole clean air program, as devised by my predecessor, out for public consultation. That was quite extensive. I'm not sure I can remember for how long it went on, but we had a lengthy period of public consultation.

Essentially what we heard was a great deal of criticism of the program. We heard from environmental groups that it wasn't going to be effective enough. We heard from industry that it was very technically directed and wasn't really going to address the major problem, that it was going to be somewhat of the same construction as MISA, where you did a lot of data gathering and then had to develop regulations to take advantage of that.

As I'm sure we will also discuss before this committee session is over, that whole approach has proven to be slow, labour-intensive and resource-intensive, and has perhaps not been most strategically directed to where the major problems are. So after getting back the comments on the clean air program, I directed the ministry to see if we could take another approach and develop an air management strategy that would provide a more integrated approach to addressing the major environmental issues affecting air—the whole question of ozone depletion, global warming, ground-level ozone, acid rain, air toxics, visibility and

odour—and begin to see what and where the major problems were and what we could do about them; also taking into account my desire to move to a pollution prevention approach and, instead of just controlling emissions as the clean air program had been, look at how we could get to preventing those emissions in the first place by the kind of partnership agreements and approaches of bans and phase-outs and all the other aspects of pollution prevention that I know the member is aware of.

Our approach has been to look at where we can get the most effective reductions for whatever resources we're putting into clean air. That has been the basis of the program. I don't know who you would like me to ask to expand on the technology. Is it Mr Ronan, who is the ADM of that section?

Mr McClelland: May I ask a question while Mr Ronan is coming? I just want to put this in context. My understanding is—and correct me if I'm wrong; I'm sure Mr Ronan will be able to help us—that the clean air program was funded or estimated at somewhere in the order of \$10 million. It was a \$10-million program; correct me if I'm wrong in terms of my numbers. I'd be interesting in knowing what comparable resources have been shifted to your air management strategy, and a clarification if, in point of fact, the strategy is more or less guidelines as opposed to regulations which would have some enforceability.

I guess some people would describe it as almost a recipe book, if you will, saying to industries and the producers of air pollutants, "Here's how you can go about eliminating and reducing emissions." Rather than moving from an approach of enforceable regulations, you have effectively a recipe book of how to do this more effectively. The question that flows from that is, what resources were being devoted towards the production of regulation 308? What comparable resources are now being invested in terms of the development of the air management strategy?

Hon Mrs Grier: Before Mr Ronan begins, can I correct the impression left by that question? In fact, the strategy is an overall and very broad approach to air management within which there are a number, or will be a number, of specific programs, some of which may in fact involve regulations. The clean air program is simply looking at a revision of 308. What we're looking at are bans and phase-outs, emission reduction, localized—I'm sure Mr Ronan's going to talk about the Windsor corridor and the health effect studies we're doing there. So there are a number of components of the strategy. To say that it is not a regulatory approach is, I think, an inappropriate description of it. I'm sure Mr Ronan can be more specific.

1650

Mr Gerry Ronan: Yes. I just want to reinforce the earlier statement of the minister that when we put the CAP, the clean air program, out for public consultation for a six-month period, we did get back lots of submissions from industry, environmentalists etc, and there were concerns from both groups.

Industry was quite concerned that it was extremely complex in design, that some of the elements of the program in terms of the models that were being indicated as a

requirement, to understand where the chemicals were being generated and their impact on the environment, were overly complex and costly, and that to apply the program as it was put out for review would have resulted in a multiplicity of regulations, focused on a large number of chemicals. It would have been very difficult to enforce, would have required literally hundreds of new government resources in terms of this enforcement requirement, and for the sectors that would have to obey the regulation, would have been prohibitive in terms of cost.

The environmental community also was very critical of the design in that it just focused on toxics but was not really taking into consideration the emerging issues, the global issues, such as the stratospheric ozone depletion; it had no specific mention of that concern. Global warming was not included, nor the whole phenomenon of indoor air.

There's a range of key environmental issues that it did not address, so based on all this commentary and very constructive criticism, we took all that material back in. We got a direction from the minister, of course, to try—as well as expressing the issues as part of this consultation—to put a pollution prevention template on what we're doing, and by that is meant trying to look at the front end of all these processes, trying to consider how you might minimize the generation of these pollutants so you wouldn't have costly end-of-pipe treatment technologies.

That was the charge we were given, and also to have a kind of multimedia approach, and by that I mean to make sure that when you're trying to stop it going out the stack, you don't put it on the land or you don't put it out through the water column. So you have that as a principle on how you design the program.

We also were challenged by industry, because we are constantly consulting with it on the clean air issues. How do you integrate all these issues? What relationship? What do you want us to do first? Do you want us to act in global warming, or do you want us to act on NO_x/VOCs in terms of urban smog, or do you want the air toxins, do you want benzene out of the air? What is the cost? What's the equity in terms of our investment scenario? That was the very challenging kind of serious questions we were asked to also address in terms of how this new clean air strategy would be designed.

We set up an interministerial assistant deputy minister committee with the ministries of Energy; Treasury; Industry, Trade and Technology; Natural Resources and Housing, and of course led by MOE, trying to make sure that we would get a total kind of perspective on corporate Ontario in terms of how these would impact on all the needs of these ministries in terms of also trying to make sure that the companies being affected would not have too costly and prohibitive regulatory initiatives that would, in their estimate, harm them in terms of their investment scenario.

We've been doing that, trying to use all these elements and design the programs, but we haven't been trying to develop one big bang, one massive program.

We have been moving ahead in doing things. For instance, we have been doing a study in Windsor where we have brought together Environment Canada, ourselves as a lead agency, the Ministry of Health, the local polluters, if

you will, or the industry segment discharging to the environment, the labour unions, some of the NGOs and the environmentalists. So we have a kind of large composite group of the whole community looking at what exactly is happening in this major urban centre.

What we're trying to do is develop a whole prototype of how you would address major key pollution centres in the province, the major urban centres where there's a big industrial base, where there's transboundary pollution, and factor in all these concerns in terms of measurement.

In this particular study we have a number of volunteers going around trying to monitor what intake of particular chemicals they will undergo if they're driving their car in the city traffic, if they're at home etc, so we can quantify what the background level of some of these contaminants are and what, in terms of the indoor air envelope, is a contributory factor and try to factor that knowledge into the strategy we're going to develop when we go back to the major generators and ask them to remediate or to abate the particular loadings our analysis is going to provide.

We have the latest instrumentation, our TAGA units—that's the trace atmospheric gas analysers; state-of-the-art measurement systems—down in that particular community to make sure we have a very sound database and that it's current.

We have the support of all the industries and we're also getting information from across the border, from the American side, because many of the problems are transboundary in nature. In fact, some of the pollutants, 50% to 60%, come transboundary. We're factoring all that into this kind of Windsor study which we see as the prototype of what we're going to be doing from a grass-roots community base right throughout the whole province.

We hope by 1993, the coming year, to have tabled a very substantive report on the findings and recommendations about the remedial actions that on a community basis different companies are willing to undertake to, I guess, correct any problems the study pinpoints. That prototype is going to be used, we hope, in other centres such as Hamilton, Metro Toronto, Ottawa etc. There's a range of possibilities.

Why I mention this is that the clean air strategy hasn't stopped. We're actually moving in a very, I believe, constructive and kind of community-thrust basis. We're getting very good, useful current information. We have the industry at the table with us. We haven't got the regulatory stick over them. It's a voluntary thing and it's proving a very effective formula for trying to address very fundamental questions about air in a partnership kind of mode.

There are other things we've been doing also, such as the NO_x/VOCs, this urban smog. We have been, on a voluntary basis, meeting with all the primary generators in the Windsor-Quebec corridor, trying to get their commitment to provincial and national strategy and we're having, we believe, a kind of success story. Many of the major generators have indicated a willingness to contribute and to make voluntary cutbacks.

We've had a public consultation session with them and that, to my mind, is another kind of minor triumph in terms of it's a voluntary mode. What we're trying to do, even though we have the regulatory stick behind our back, as it

were—it's kind of an incipient thing that, if necessary, the regulatory weapon may have to be shown, taken from its sheath, but not necessarily, if we can get voluntary cooperation, if we can give the companies the opportunity to say: "All right, here's the challenge, but we will look at our operation. We will do the innovative things. We don't want the kind of a hammer regulation that perhaps misses the mark because it's too generic, too broad."

1700

The Chair: Mr Ronan, perhaps you could come up for some fresh air and just give us a second here. I think Mr McClelland has a few questions.

Mr Ronan: So far, half our time is gone.

The Chair: Yes. I don't wish to be rude, but it's helpful if Mr McClelland can have an opportunity to get some questions in.

Hon Mrs Grier: Mr Chair, just before you move, though, I'm apt to think that when Gerry, Mr Ronan, was outlining the ministries involved in the interministerial committee, he left out the Ministry of Transportation. If you didn't, forgive me, but if you did, I want to make sure that it's on the record, because that's important.

I also wanted to add, because I know how attached Mr McClelland is to regulation 308, that a workshop with respect to consultations around and changes to 308 is part of the strategy and is going to be held early in 1993.

Mr McClelland: I won't comment on your allusion to that, Minister. The fact of the matter is that it's a point of departure for a question, and I won't read anything into your comment on my attachment to 308.

I think it's very instructive and useful, and I appreciate your comment, sir.

One of the things that I'd like—perhaps the minister could answer—is a relative measure of the resources, both in terms of personnel and financial resources of the ministry, that are now being committed to the air management strategy. If you could, is that less, is it more, is it the same, are we holding our own in terms of the personnel and financial resources allocated that were being allocated to the clean air program, which is now being incorporated as part and parcel of your overall strategy?

By the way, I might add parenthetically that the undertaking of your leadership is significant and we wish you well on that. It's a major undertaking and I'd like to get a handle, if we could, on a relative comparison of resources available to you to take on the task that you've taken on.

Mr Ronan: If you have it within your power to send more resources, I would be delighted, but the reality is that there have been some across-the-board cuts within government in terms of programs, and everybody has kind of their fair share. We've given at home and at the bank, so we have some little diminution of our resources, but that's the whole ministry.

Mr McClelland: I see. But my question, sir, is this, if you will—and I'm sorry, but we have very little time here. I want to get to this point fairly succinctly if we can. In terms of the comparable amounts that were devoted to the clean air program relative to the funding and staff resources

that are now devoted to the air management strategy, are we in harmony, is that diminished in its overall—I see that Andre is coming forward to help us out with that.

Hon Ms Grier: Mr Castel can answer that.

Mr Castel: The resources allocated to regulation 308 specifically have not changed; they're exactly \$1,051,000, and they've always been \$1,051,000. There was a staff of 11 allocated to this activity. So in terms of regulation 308, it's the same resources and they have not changed.

Mr McClelland: That's part and parcel now of the overall budget?

Mr Castel: That's part of the overall budget of the air resources activity.

Mr McClelland: Relative to air resources—and I know these things sometimes have a pretty thin thread to try and tie them in—we're talking in the general area of air resources and we have a number to get through. There are a couple of questions I'd like to ask.

You brought up, sort of by implication if not specifically, and I wonder if the minister or one of the ministry personnel could comment on our timetable and where we are in terms of the ban on flexible foam and rigid foam insulation with respect to CFCs. You mentioned that as part of the comprehensive program, and I'd like a quick comment on that if we could, and I try to emphasize relatively quickly. In terms of monitoring the results of the 1990 regulations on CFC reduction, I'd like to know what that is telling us and where we are in terms of advancing CFC recycling. I'm sure the minister may want to address those things.

Again, I'll get these on the table, because we are very limited in terms of time. One of the things that impacts air quality, of course, is emission of gases from landfill sites. Minister, you may want to respond to this. I'd like to know what studies the ministry is relying on to verify air quality in the presence of acid gases and unburned organic vapours being emitted from landfill sites in Ontario, and what studies or analyses are we doing in that area with respect to the quality of our air in the province of Ontario.

Hon Mrs Grier: On the CFCs, let me respond that I think we are certainly on target, if not having advanced the target. Perhaps Mr Ronan can add to that, but we moved forward. A lot of these are the targets that are set by the Canadian Council of Ministers of the Environment; the target for phasing out of at least one aspect of this was advanced by all the ministers.

Mr Ronan: With respect to the flexible foam, to phase that out is by the end of 1993, so that's the schedule. We've had it all sequential, phased out by the users, and by the end of 1993 CFC usage in flexible foam will have been discontinued.

With respect to refrigerants, we have met with all the stakeholders of that sector. We've just had a whole consultation session with them in September, and right now we're exploring with them to try to put together a program for the capture of these refrigerants that are in stationary segments in terms of homes and large complexes.

With respect to mobile refrigerants in automobiles etc, we have set up a whole regulatory requirement for the collection and capture, and that is in place.

We are being proactive in trying to now address the stationary sources in the refrigeration segment. We estimate that since we have started in 1988, in terms of trying to reduce the amount of CFCs generated in Ontario, by the end of 1993 we will have about 50% to 55% reduction in the uses.

We have focused on the flexible foam area as being one of the major use segments, and that's where the thrust of our problem has been. Now we're going to go after this stationary source as the second phase of our strategy in terms of reducing the escape of the CFCs to the environment.

We're working with the federal government in terms of the Montreal protocol. We are on their committees. Right this week in fact there is another round of looking at the contents of the Montreal protocol and considering the strategies of the major countries in the world, where they've gone to accelerate the phase-out even further. That is, as I said, the federal government leading that particular negotiation right now.

I think we've been very proactive and one of the first provinces to move in this area. We've had good success to date and we intend now to just keep on moving forward so that we have as many feasible controls in place as possible.

Mr McClelland: Thank you. We could possibly spend all our time in this process in talking about air programs. It's one of the restrictions we all operate on. I thank you for giving us a bit of insight, sir, into what you are doing with your work in the ministry.

Perhaps before we move on to another broad area—

Hon Mrs Grier: Can I just end that by saying that after all that, there is in fact a trend showing a slight decline over 10 years in what is the situation with respect to air pollution in the province. I think we have some distance to go, but there are some results beginning to be shown. That's just an important note to conclude the discussion on.

Mr McClelland: Maybe we concluded a bit prematurely. I was just going to say before we move on to another broad area of discussion, if you will, I wonder if my colleague had an answer to any questions. Thank you, sir.

Minister, I want to kind of move around, I guess, through this smorgasbord, the buffet of items we could talk about.

Hon Mrs Grier: There are always more items on my agenda than there is ever time to talk about, so I can sympathize.

Mr McClelland: Yes, touch briefly on some of the water resources issues, and we may have time to come back to some of the other areas.

Actually, I want to ask you one very specific question. It relates to the environmental assessment process. Then we can perhaps get into some more generic ones. There might be somebody on ministry staff who could advise us later, if not today, because of the specific nature of the question. I want to deal with that up front so that your staff can appropriately have time to respond tomorrow or

at some other time they're able to have the information available.

York region, Musselman's Lake: There's an environmental assessment with respect to the community sewage handling system. It's been ongoing for some time. There are concerns about people in that area with respect to the status and what is taking place. Can you give us an indication of where we are in terms of the EA process, your timetable with respect to potential approval and where we actually are now? We may not have that information available at the present time. If not, I'll just leave it as a question for the record in the future.

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Hon Mrs Grier: I'm not sure that we can answer that specifically. I'm certainly aware of difficulties in Musselman's Lake and the need for treatment. I was not, I confess, aware that an EA was part of the issue, but I suspect we can certainly find out information about that and come back with the answer tomorrow.

Mr McClelland: Anything that could update us on that, I think, would be useful, and there will be some questions that will flow specifically from that with respect to the EA process and so on.

Minister, I'm wondering about the water resources question generally and your topic of many questions, as I review Hansard of years past, our favourite topic of MISA. I'm wondering where we're at with respect to your schedule and the time lines to move towards achieving your government's promise and commitment of zero discharge of all toxic chemicals into the air and water by the year 2000.

That was the position of your government and you as opposition critic; it was certainly part of the 1990 campaign. I think I'm correct when I say you have reaffirmed that commitment since being sworn in as minister a couple of years ago. Can you provide us with any dates or targets that you intend to adhere to and give some assurance to the public in terms of moving towards this zero discharge in the year 2000?

Hon Mrs Grier: Let me make the distinction between MISA, which is an element in our pollution prevention water approach, and the zero discharge. Of course in some of the sectors, specific regulations that are MISA—because MISA is essentially regulations dealing with nine sectors. Our pollution prevention approach, in zero discharge, we see as applying across the board.

When I talk about the bans and phase-outs of persistent bio-accumulative toxics, that's part of our air management strategy too, and how can we integrate and how can we make sure that by saying you can't discharge it into water, they don't just find a way, because it's still in use, of it being discharged into air or into waste.

The first component of that was to do the scientific work and to identify those most toxic contaminants that we thought were candidates for bans or phase-outs. While that work was ongoing, the committee that I think I referred to in my opening remarks, New Directions, had come together, environmentalists and industry looking at persistent toxic contaminants.

They came to the conclusion that in fact bans and phase-outs were the way to go and made a presentation to myself and to the federal minister. Environment Canada agreed to set up a committee that had representation from our ministry, from the New Directions group and Environment Canada to look at how we can ban and phase out some of these chemicals. So we have shared our scientific information with them.

The consultation and the development of the socio-economic assessment of the effect, the economic dislocation, and whether or not there are substitutes for these, we think is better done on a national basis. That's why we are anxious that that happen nationally. We have made it very clear to Environment Canada that if that moves too slowly—we have a target of 2000, a target that certainly the New Directions and I think other groups have agreed to, and we can't wait for ever. But at this point, our scientific work has been shared with them, and that ARETS committee is meeting.

As part of MISA of course, there are some of those chemicals that showed up in the monitoring. Looking at ways to get zero discharge of them has been part of the challenge of trying to put a pollution prevention face on MISA, which originally was an end-of-the-pipe control program. Of course, the one on which there is a great deal of public attention is in the pulp and paper sector and the whole question of AOX, absorbable organic halides. That is one that we have not yet resolved, and we are consulting with the industry.

You asked for the timetable for the MISA regulations. As I'm sure you know, the petroleum reg was released for public review earlier this fall. Pulp and paper is the next one, and my target would be that we would have that out early in the new year, if not before. After that, I think, is likely to come metal casting and then metal mining.

The monitoring was all phased in at different times and ended at different times. I think the monitoring report for electric power, for example, isn't in yet, and I think we've just got the organic or inorganic. That monitoring was just ending this month. It took a much longer time to do the monitoring and to report on the monitoring than I think anybody had envisaged in 1986.

Mr McClelland: You mentioned that you expect pulp and paper regs to be forthcoming in the early new year. Do you anticipate that those regs will be consistent with your personal commitment to the zero discharge of organochlorines? That was your position. I wonder if it is and if you see any way of being able to achieve that in the early new year.

Hon Mrs Grier: That is certainly my objective. How that occurs, over what time frame and what form the mechanisms take are all consultations that we're having with the industry. I've certainly heard from Mrs McLeod expressing her concern that we not impose too onerous obligations on the industry. That's certainly the industry's position. We're struggling to fulfil our objective of seeking the bans and phase-outs of those specific chemicals.

Mr McClelland: So it is still your personal commitment to have zero discharge?

Hon Mrs Grier: I'm saying that is my goal and objective as it has been, and in what form we can translate that into action is part of the consultation we are undergoing.

The Chair: Thank you very much, Mr McClelland.

Mr McClelland: Mr Chairman, just so I know where we're going from here, we'll have 10 minutes at the end of today? Is that correct?

The Chair: About seven minutes, yes.

Mr McClelland: And then?

The Chair: Do you wish to take your additional seven minutes now?

Mr McClelland: No, we'll wait. I just wanted to have a sense of what we had left.

Mr Lessard: Madam Minister, I want to welcome you to the estimates hearing process for the Ministry of the Environment once again and welcome members of your staff as well. I want to thank you for your opening remarks.

I have a number of questions with respect to your opening remarks. However, there's one that is of a local concern to myself and that I asked the last time you were here. That was about the case involving the Detroit incinerator. That's one that was probably raised in the estimates procedure even before we got here.

I know that you've attended in court in Detroit to give evidence with respect to that case and I know as well that recent reports in the Windsor Star indicate that the work is taking place with respect to the installation of scrubbers on the incinerator in Detroit. One of the fears I, and I think other people in the Windsor community, have is that by the time this lawsuit finally is resolved the pollution control devices might already be installed on the incinerator. I wonder whether you can give us some idea as to when and if or how that case may be resolved.

Hon Mrs Grier: Certainly we have somebody here who's taken it blow by blow. I'm sure Mr Piché from my resources branch can talk about the timing. Let me begin, though, by reminding members of the committee that this was a lawsuit initiated by my predecessor, Jim Bradley, and one in which I as his opposition critic heartily concurred at the time. The objective was to make sure that this incinerator, which was even then under construction, was equipped with state-of-the-art equipment.

What has happened is that as a result of our intervention I think we've played a very significant role in ensuring that the incinerator is in fact retrofitted to what we had defined after years of discussion as being state of the art. It has taken so long that I suspect your conclusion is correct and the retrofitting will have been completed before the lawsuit has, but perhaps Mr Piché can respond to the timing at this stage.

Mr Ed Piché: Committee members, the court is scheduled to resume hearing of the case in December of this year. I think the minister's statement was a very modest one. We have in writing from appropriate authorities in the state of Michigan that there is no question that Ontario's intervention has essentially changed the law in the state of

Michigan, much to the chagrin of many of the state legislators therein.

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I think it's a reasonable assumption, but it is an assumption, that the installation will be operating with state-of-the-art technology before the court case is completed. Nevertheless, I think that is in fact a reasonable assumption.

It's scheduled to begin in December. I believe there are two witnesses remaining to be heard and then the judge can take whatever amount of time she so wishes to decide on the case, and then of course there can be appeals. It could go on for some considerable period of time. So yes, I think the technology will be functional before—

Hon Mrs Grier: And what's the timetable for the retrofit?

Mr Piché: I believe the first unit will be operational some time in 1993, Minister, and the subsequent one about a year to 18 months after that.

Mr Lessard: So in the event that the retrofit takes place and we're satisfied that it's up and running and it's appropriate equipment, do we have a way we can—

Hon Mrs Grier: Exit?

Mr Lessard: Yes, sort of stop our continued legal involvement?

Hon Mrs Grier: I asked that when I saw the first lawyers' bill, and it's never that easy.

The Chair: One at a time. It's helpful for Hansard. I can hear you, but Hansard has trouble recording it that way.

Mr Piché: I'm sorry, I don't understand. Is that directed to the minister or to myself?

Hon Mrs Grier: I think the question is, do we end the legal process because we've achieved the objectives, and my understanding is that most of our expenditure with respect to this case has already been made. For the final argument, one of the elements is going to be, I think still, enforcement of whatever decisions in certificates of approval so they're there for all time and can't be changed. Our assessment is that there is still value in continuing with the action and there may not even be a legal way of withdrawing at this point.

Mr Piché: I guess I would defer the legalities to our legal counsel. In terms of the rationale of the case, I think we had indicated at the beginning that we wanted to stay the course on the case. There was the mention of the case that there was a requirement on mercury, and even to date they have not been able to be in compliance with that, so one of the contentions of the case was that they would stop operating the facility until such time as the control technology was in place.

Again, while I deem that we have been successful in cajoling them, if you will—that's a kind way to say it—into putting in the state-of-the-art technology, nevertheless the facility is operating out of compliance at this time.

Mr Lessard: It's good to hear at least that we're having some influence on the standards for municipal waste incinerators in the state of Michigan. I think that's been a worthwhile result of the lawsuit in any event.

The other question I have arises from your initial remarks. You were mentioning about looking into lakefill guidelines and the types of materials that can be placed into waterways in Ontario. The reason I ask that question is because in my riding, along the Detroit River, the city is going to be acquiring ownership of a large piece of property. Part of the work that needs to be done with respect to that property is to install breakwalls and probably will involve putting into the Detroit River some sort of fill as part of that process as well. So I wonder, first of all, what possible implications the lakefill guidelines might have on the work we might need to do in the city of Windsor.

Hon Mrs Grier: I'm not familiar with that specific project, and I'm sure Mr Ronan will want to talk about the lakefill guidelines, but let me just begin by saying that, as members may know, that is very much an interest of mine, as a representative of a waterfront community where extensive lakefilling has occurred, my concerns with lakefilling being not just the quality of the material that was dumped but the changes in currents and water patterns that occurred as a result of lakefilling.

In the greater Toronto area, the work of the royal commission headed by David Crombie has been very helpful in identifying the need and obtaining agreement about the need to be much more careful in the future before we do lakefilling that is significantly a protrusion or a changing of the shoreline. We had a moratorium for quite some time on lakefill projects.

We have also looked at the quality of the fill, and that's where the guidelines which are currently out for public consultation and comment, I think, come in. I'll ask Mr Ronan to comment specifically.

Mr Ronan: Just to amplify a little bit the minister's statement, over the last year we've done intensive scientific work trying to look at background levels of chemicals in soil throughout the whole province so that we could get a profile for all kinds of soils and use as a backdrop, as a context, so when we come to look at any lakefill soils that any group may wish to put into a water environment, this enables us to develop kind of a scientific rationale based on what's a background rural, a background urban, a background industrial. We have a whole data bank now that cost us in excess of \$500,000 to acquire and really gives us a very strong scientific basis for any of the decisions.

Also, we have been looking at the sediment because they are kind of in tandem, as the minister mentioned. So we have developed a whole review of the sediment guidelines, and the goal is to make them stringent and state of the art in terms of protecting the biota and the water quality. With these revised sediment guidelines and the guidelines we've developed for lakefill, the ministry has an advisory committee on standards, kind of a third-party-expert group made up of academics and experts in this field.

The minister has sent on to this group, to hold public consultation on, what we have come up with as a kind of offer which would in our opinion represent the best environmental kind of matrix. Now that's going for consultation with all the affected groups, with the people who work in this field, people who have to look at the cost of

testing that's part of the whole kind of administrative cost of this major revision in this protective thrust. That's out for public comment, and based on that, they will either revise, modify etc the package that we have and return it to the ministry and then they will come forward as I guess the new regulatory regime in terms of protecting the aquatic environment.

So, in summary, we're going to have a very strong scientific basis for good water protection achieved.

Mr Lessard: And that is separate from what the minister was talking about, changing the configurations of the waterfront and what impact that might have on the environment?

Mr Ronan: They will be all the factors when anybody wishes to put any of this material in any water body. There will be an elaborate series of questions that they must address in terms of their studies and the information that they have to table that impacts on currents and sedimentation and contours. That will be a part of the approval process.

I talked about the actual specific numbers and the quality of the material that's going to be used as the fill, but on top of that there's a whole other series of engineering requirements to make sure there's no detrimental impact on the receiving body of water or the adjacent land.

Hon Mrs Grier: Can I just add one other component of that which is very important to me. We've made the distinction between disposal within a contained area and open-water filling, because in many of the lakefills that have occurred there weren't very many restrictions. There was no distinction made about what you can put in within somewhere where it was not going to be immediately into the water. So I think what you'll find is that those who wish to dispose of materials through lakefill are going to be subject to very more stringent guidelines, and the need for that project and the design of it is also going to be subject to more stringent review than it has been in the past.

Mr Lessard: So if you were putting this fill in behind a breakwall, there might be different requirements?

Hon Mrs Grier: That's part of the discussion that's ongoing by the Advisory Committee on Environmental Standards and is also part of the whole—it's not just looking at material that's to be disposed of through lakefill but materials disposal, so that we can have a clearer classification of earth and dry fill for disposal on land as well as in water.

1730

Mr Lessard: I'm sure the city of Windsor is one of the interested parties in that process.

Hon Mrs Grier: Perhaps I may just say for your benefit that the public consultation began on September 10 and continues until January 8, 1993. I'm sure Windsor's aware of that, but you might want to just check whether it has made a submission.

The Chair: Speaking of Windsor, I have a request from Mr Dadamo as well in this cycle. I don't mean to interrupt you; I just wanted to let you know that I have a speakers list from your caucus.

Mr Lessard: Okay, that's fine.

Mr George Dadamo (Windsor-Sandwich): I wanted to go back to the Detroit incinerator and ask a question. The dividing line between Mr Lessard's riding and mine is Ouellette Avenue, which takes us down to Dieppe Park and the river, and when the smell would come over from the incinerator we'd share that. This incinerator problem has been floating around for probably about five, six or seven years now in Windsor, and it's become very contentious at times. It sort of slows down some years and then it resurfaces, and now I understand it's going back to the court in December of this year.

I remember some mentioning of some words that had come out of newspaper articles about three or four years ago. There was a word called "scrubbers." I remember that being bandied around was the cost of some \$50 million, something like that or even less, to put the scrubbers in. The scrubbers were going to filter a lot of the dirty air, so that instead of its making it out to the environment, it would be contained, I guess.

Maybe I missed the answer that you gave, but I'd like to ask you again, are the scrubbers going to be part of any of this retrofitting that will take place and will the province of Ontario, through the Ministry of the Environment, monitor on a regular basis what will come out of this incinerator? Because ultimately some southeasterly winds will come into the city of Windsor and I suspect we'll have a lot of our constituents complaining.

Mr Piché: Shall I answer that question, Minister?

Hon Mrs Grier: Please do.

Mr Piché: Okay. In the original proposal for the incinerator they were looking at various control technologies. One of the proposed control technologies at the time was so-called "scrubber baghouse." A scrubber's like a shower; it washes out the material. The baghouse is like a filter bag you use in your vacuum cleaner. The expertise Detroit hired decided that this wasn't what was required, that they would use electrostatic precipitators.

I don't know if you have an air cleaner in your home, but it's parallel plates, like the capacitor plates. The air passes through it and they're charged up. All right? Now, capacitor plates, if you can imagine, are not a physical barrier. It's just an invisible field. A lot of people were very unhappy with that. They wanted a physical barrier between the combustion process—the fire, if you will—and the air. That's why originally a lot of people got very upset about electrostatic control. They didn't think that was good enough, because it wasn't a physical barrier. Also, from a historical perspective, the difference in cost was \$17 million at that time.

Now, you can imagine the chagrin of the Detroit taxpayers because of this facility being retrofitted now with scrubber baghouse. In other words, they took the electrostatic precipitators, they're dismantling them and replacing them with scrubber baghouses at a cost in excess of \$200 million. That's why there's a large number of very unhappy taxpayers in the city of Detroit. That's a direct consequence—we have that in writing—of our intervention.

Hon Mrs Grier: Can I just add to that? We were talking earlier in my response to Mr McClelland's question

about the Windsor air shed study. That is going to provide us with extensive information and data to monitor the ongoing air quality in that area. I don't know why that area was chosen, but I suspect one of the reasons was that the air is bad and we know a lot of it is coming across the border.

I'm glad that as part of that study some of the work is going to be shared with Wayne county, I think. We're working in conjunction with them. We've also put in place an abatement strategy advisory committee, which was formed in February 1992, and which will have a role to play in looking at potential abatement. I think we have put in place the mechanisms to keep an ongoing watch and public awareness of the issue, so that the performance of the incinerator will be closely watched by the public there, which I know has been very concerned for a very long time.

Mr Dadamo: Just one really quick one: Have they ever explained to the ministry, to the government of this province, to anybody, why they would build this incinerator so close to the downtown area of Detroit and so close to another 200,000 people across the border?

Mr Piché: No, sir, they haven't, but from our history of involvement it was quite obvious to us that there was property available to the city at a very modest price, and that was probably the primary consideration.

If I might pick up on the minister's comment, I would add that the city of Windsor—and this goes back to the Detroit incinerator and the subsequent International Joint Commission Detroit-Windsor air study that I co-chaired and, ultimately, the parent IJC report which was released in February 1992. There are 19 recommendations in here which adopted 11 conclusions and the five recommendations of our earlier study. I can say without any hesitation that Windsor is the most intensively studied and monitored city in all of Canada, and one of only about three cities in all of North America that has as comprehensive and complex an undertaking as we have right now with the so-called First of the Cities of the Nineties study. There's an awful lot of activity going on in the city of Windsor right now.

Mr Dadamo: But you will qualify that by saying that the reason for that is because we have Zug Island, which is on the other side as well; it's been polluting our air for a long time. There's also what's coming across from the other side of La Salle.

Mr Piché: There's a sewage facility over there that combusts sewage material, I think, which causes some problems also. There's a spectrum of sources, including the steel industry, and it is a reasonable conclusion, as I'm sure you have concluded, that a significant percentage of the air quality problems in the city of Windsor are transboundary. It was one of the reasons the city was looked at. Plus, as the minister alluded, there were reasons, and there had been for a considerable number of years citizens in Windsor asking for such an undertaking. So the ministry has responded with the most comprehensive undertaking of its kind in all of North America.

Mr Dadamo: Thank you for keeping a close eye, by the way.

The Chair: So you are able to tell just how much extra effluent is going across Ouellette Avenue, for Mr Lessard's concern.

Mr Piché: Do I have to answer that?

The Chair: I just wondered how intense it was.

Hon Mrs Grier: Let me close off this issue by reminding the members of the committee that in Ontario there will not be any more municipal solid waste incinerators constructed. Certainly our experience with the Windsor one, and the incredible expense of retrofitting to meet new standards, are a justification, among all the others, for that action of our government.

The Chair: Back to Mr Lessard.

Mr Lessard: I know Mr Frankford has a question, but I had one more question related to incineration.

The Chair: I didn't have Mr Frankford recognized yet, so thank you for letting me know that. You've got four minutes left to share with Mr Frankford.

Mr Lessard: Okay. In your initial remarks, you'd talked about incineration of PCBs at Smithville. I didn't know whether incineration of PCBs was really an acceptable way of disposing of them, or is that something that's unique to that one particular area?

Hon Mrs Grier: This was a decision made before I became the minister. I know it was the subject of considerable controversy, to a very stringent assessment that in fact confined that operation to merely the destruction of the PCBs that had been identified in the Smithville area. This was a situation where PCBs had been improperly stored years ago and had penetrated into the limestone and into the bedrock. It's cost us, I think, in excess of \$30 million to establish a mobile incinerator there, but the approval for that incinerator was strictly to deal with the excavated material there.

Technology in all these fields is changing at just an incredible rate. I'm no expert, but we keep finding new ways of disposing of hazardous materials. Incineration is one way that is acceptable for PCBs under stringent monitoring and controls; new chemical approaches are being identified. I think you may be right that you look at each instance and decide what is the most appropriate way of disposing of the PCBs in that particular situation.

In Smithville, at that point incineration was acceptable. I think it's interesting that, when I've been there and met with the people who are doing it and the community, it has worked very well. There was a lot of concern before it began, but the monitoring has shown that it has in fact been effective and hasn't caused other problems.

1740

When the contract for the firm that was doing the incineration expired and we needed to go back to treasury board to get more money in order to continue this, because they kept finding more material than they'd originally estimated was there, I considered stopping at that point. I met with the community, which was very anxious to see the incineration concluded and very supportive of both the ministry and the consultants who were doing it. In response to

that, we continued it. I gather Ms Willis was there a week or so ago. We're almost at the end of the incineration?

The Chair: Hansard will show there was a confirmation from Ms Willis in the audience. Dr Frankford.

Mr Robert Frankford (Scarborough East): To the extent there is any time, I want to get into the area of composting and ask how effective it is and where it's going.

Hon Mrs Grier: We have Drew Blackwell here who, I am sure, can answer that at great length. In my opening remarks, I gave some figures about the number of composters that were now out there and the quantities that were being composted. Of course, the other element is the expansion from home composting into centralized composting. We have approved at this point at least one major centralized composting facility; that's a facility in Guelph, where they're doing a wet-dry separation of waste and will have centralized composting. Perhaps I can ask Drew Blackwell, the ADM in charge of the waste reduction office, to add to my comments.

The Chair: Welcome, Mr Blackwell. You have about two and a half minutes.

Mr Drew Blackwell: I'll limit my comments then to the backyard composting program, if that was the major thrust of the question. To date, the ministry has put about \$12 million towards subsidizing the purchase of home composters through municipalities that sponsor the program for their residents. The result of that is that we have distributed over half-a-million composters at this point, and there are commitments made for about 240,000 additional ones.

It's a bit difficult to know exactly the number of households engaged in home composting. We have some surveys that indicate that about 23% of the households respond that they are in fact actively composting. If that's the case, we're quite close to a million households composting, which suggests that quite a large number of people are composting or have been composting previously—or perhaps that some people exaggerate a bit when asked by the polls. In any case, I think it's safe to say that somewhere over 800,000 households will be composting by the end of this year.

The effect of that is at this point difficult to measure. One of the things we have found is that in the municipalities that have gone forward with the program, it's been surprisingly easy to get about a 20% to 30% participation rate from single-family households. It's far greater than most people initially expected, but the curve of participation does go up very quickly to that level and then starts to taper off.

In response to that, we now have a pilot program under way. So far there are seven communities; there are three more and we're looking for about two more to participate so that we have a good mix of urban, rural, northern and southern communities engaged in efforts to push the number of participating households from around 25% to 60% or above.

Another portion of this pilot program is to do very detailed monitoring of the collection routes in which the home composting program is put in place in this intensive

way, to determine the exact effect of home composting on the waste stream. There have been studies done in Pickering and Newcastle to date which give us pretty good data to suggest that a range somewhere between 16% and 32% of the residential waste is in fact being taken care of by the composting. The variance is quite high, because it depends quite a bit on how large the yard is, how much leaf waste is there—this is an enormous contribution to the waste stream—and how assiduous the family is in actually using its composting techniques.

From the area in central and south Hastings, there's another study that has been undertaken independently which suggests that in that area, which is a rather more rural area—larger homes, larger yards and things—it might be up to 40% that could in fact be taken care of by home composting.

If we take a measure somewhere in the middle of that range, I think what we're looking at right now is that about 200,000 tonnes upwards of waste will be diverted through home composting next year. I'm trying to give the conservative end of the estimate. It could be considerably more than that if we have a large number of people participating, using the high end of the volume from their own waste.

If the pilot programs are successful and we figure out how to roll that out across the province, the potential of home composting becomes quite large indeed. We could be talking of over a million tonnes of waste a year being taken care of by people in the home composting program.

The Chair: Why not use up the approximately two and a half more minutes? That completes your rotation, then I'll allow Mr McClelland the final 10 minutes.

Mr Frankford: Is there any easy indication of how one would double the number of participating households?

Mr Blackwell: The common elements that are under way in these pilot programs included really intensive promotion and distribution; in effect going door to door, knocking on people's doors and telling them about the advantages of home composting, saying: "Here are the different models of composters this municipality is distributing. Which one would you like? It costs \$15." In a couple of cases, they're talking about free distribution. That's the case in the Quinte program.

The second element is ongoing support. It's not enough just to have a blitz and distribute the composters. It's important for people to actually learn to compost and get hooked on composting. People do actually do that. They get involved in composting and start talking with each other, form clubs, get going. The major element for that is what we call the master composter program. These are intensive training programs for people to become very knowledgeable about composting. The idea is to have a group of them in the municipality and have them be sort of the resident experts in the neighbourhood on composting; then to make linkages with community organizations, be these church organizations or residents' associations; and most importantly, to get quick effectiveness, horticultural organizations, field naturalists and people who are already interested in gardening.

That combination of effects makes it possible to form what is happening right now in the city of Cornwall, for example, which is a composters' association. The composters' association then becomes a local network promotion that takes advantage of existing community networks as well as environmental groups. Then the tie-in—and this is a critical one, and in all our pilot programs this is involved—is municipal staff assigned to work specifically on home composting activities. With that, it's possible then to branch out, because you can't count on the volunteer work to go beyond the home.

When you start talking about moving into three-bin systems, larger expanded systems and vermi-composting in multifamily homes, apartment buildings and also in some small commercial establishments, then you need some more staff work, and you need the staff work for continuity as well.

Those are basically the elements that are involved, as well as the obvious ones of public workshops, demonstration sites, school programs and those additional things.

Mr McClelland: For purposes of a reminder, Minister, I just want to ask if you could inquire of your staff and perhaps make available to us any studies or the processes by which you verify air quality in and around waste management.

Hon Mrs Grier: Landfills, yes.

Mr McClelland: We had left that question hanging. That was largely my fault, inasmuch as I tried to move things along and we didn't get a chance to get around to that, but perhaps we could address that tomorrow.

You really can't do justice—in fairness to you, I'll say that up front—you can't do justice to this in the short time we have. But you were at one time a proponent and a great believer in the necessity of a safe drinking water act. In fact, at one point you said that you, upon achieving the office you now hold, wanted to see that in place immediately. My questions that flow from that are: what's happening with it? When are we going to see the legislation? Can you update us, in a sense, on what you want to do with a safe drinking water act for Ontario?

1750

Hon Mrs Grier: Let me respond by saying that yes, obviously that is something I think is important and want to do and have not yet done. That doesn't mean it won't be accomplished. In the scheme of things, it has fallen second place to the environmental bill of rights and the work of the legislation we've brought forward with respect to waste management.

However, we have been revisiting the drinking water objectives—I never can remember what it's called—which we review periodically and which are part of a very complicated discussion with both federal and provincial and health and everybody as to what those objectives and standards should be.

The other aspect I have done is asked the Advisory Committee on Environmental Standards to examine the drinking water guidelines objectives that have been in place within the ministry and to give me some advice with respect to their adequacy.

We have been identifying work that needs to be done in order to be able to prepare legislation, because we have to determine what the standards might be and what might want to be incorporated into the legislation. Frankly, there hadn't been as much scientific work done as I would need in order to be prepared to come forward and say, "These are the standards we want and this is how we want to legislate."

It's under active consideration. Work has been done to upgrade and improve the drinking water objectives. Certainly, through the drinking water surveillance program—and you may have seen the release this week of some of the conclusions of that—we are now monitoring 100 plants which cover over 80% of the population, and we're monitoring them for 180 parameters. I think it's fair to say that we have increased the number of parameters for which we are monitoring, which also gives us a much clearer picture of what in fact is happening out there and where the problems lie that need to be addressed by legislation.

Mr McClelland: Thank you. Where are we at, Mr Chairman?

The Chair: I'm told we may have a vote in the House, but Ms Mathysen may not know that. Please proceed until 6 or until we hear bells.

Mr McClelland: A quick follow-up from that, Minister: groundwater contamination. A significant percentage of people in Ontario rely on groundwater—my able staff briefed me on this, but I forget the percentage—and certainly the agricultural community relies heavily on groundwater. There are some problems with groundwater contamination, as you well know.

I wonder if you could just give us an overview of what you have done at the ministry since you've been minister to deal with groundwater contamination. We're limited by the time constraints we have here, but there are a number of areas I'd like to get into in terms of storage tank removal, upgrading and those issues in the few minutes we have, if you could touch on that. I know it's a huge area and we could probably devote literally the entire estimates time allocation to this one area, but if you could give us some sense of what you're—

Hon Mrs Grier: It is a huge area and certainly the number of people and communities in Ontario dependent upon groundwater is enormous. Again, the problems and the perception of problems come from a variety of sources. As I'm sure you, with your experience in the ministry, will recognize, there's not one solution to any of these particular problems.

You have to look at how you're dealing and working with the Ontario Ministry of Agriculture and Food with respect to farm water runoff and the use of pesticides, because all of that can affect groundwater. The other aspect, of course, has been remediation in those areas where we have had major problems, and that's extremely costly: what we have been doing in Elmira; I mentioned in my opening comments our expenditures in Manotick; we've also had a problem in Angus, Ontario.

We fight the fires of the major problems as well as trying to put in place preventive policies that will avoid the

problem getting any worse. I am glad to tell you that a part of what we've been doing is research to try and identify clearly the extent of the problem, because you can't begin to address it until you know how bad in fact the situation is.

Mr McClelland: How are we doing with the gas tanks or fuel tanks, those that were installed—

Hon Mrs Grier: You mean gas stations?

Mr McClelland: Yes. I understand anything that was in place prior to 1974 should have been removed by law or upgraded by January 1, 1992. That's the kind of thing we're talking about in terms of preventive redressing the potential hazards. How successful have we been in obtaining or coming close to that target of the January 1992 requirement of the gasoline handling code?

Hon Mrs Grier: That's, as I'm sure you know, something that's administered by CCR, Consumer and Commercial Relations.

Mr McClelland: I know it's one of those crossover areas. You, Minister, might inquire, because notwithstanding the fact that it is the principal responsibility of CCR, I think it certainly has implications in terms of groundwater contamination, which would leave you in a position of cleanup.

Hon Mrs Grier: Gasoline tanks and removal and contamination is a real problem. I guess I don't connect that with groundwater contamination as much. It may happen in specific areas, but I think the issue of groundwater—particularly southwestern Ontario; it is so dependent on groundwater—is more a question of broader, more generalized quality problems. The research we've done is beginning to establish the extent of the problem and the kind of programs with respect to septic systems, which I think are much more problematical with respect to groundwater and well contamination than gasoline tanks are.

I'm pleased to be able to tell you that we're doing an Ontario farm groundwater quality survey as part of that research. We've tested 1,300 wells just in this past year and found that none of them had levels of fuel or fuel byproducts as a problem. There were problems with some nitrate and some pesticides, but fuel tanks were not a major issue in that respect. But I will certainly try to ascertain how Consumer and Commercial Relations is doing with that program and see if I can come back with that answer tomorrow.

Mr McClelland: Yes. It seems to me it's the kind of area where we can't afford to say, "Well, jurisdictionally, it's not—" And I'm not suggesting that you're saying that.

Hon Mrs Grier: Oh, I'm not for a moment suggesting that, but you were asking about groundwater, and bacteria, pesticides and coliform count are more frequently problems with wells—and I see our rural counterpart agreeing—than gasoline. But that doesn't mean gasoline isn't a problem for other reasons, and more often with soils. The materials handling policy has been looking at the removal and disposal of soil with respect to gas tanks. As I say, our testing of wells didn't—

Mr McClelland: I guess my question is—I don't know the appropriateness of it—does the Ministry of the

Environment have perhaps a role to play in the monitoring or, if you will, policing of what's happening with CCR?

Hon Mrs Grier: Very much.

Mr McClelland: I'd like to know how we're doing on that, how we're measuring up. I think Mr Eddy may have had a question.

Mr Ron Eddy (Brant-Haldimand): That's very important. I know that at a lot of service stations, you see there's an ongoing program of tanks being removed, and the same with on-farm, in-ground tanks. It's very important.

Hon Mrs Grier: We'll try to get some figures on that tomorrow.

Mr McClelland: Mr Chair, do we have time for one more?

The Chair: Yes, we do.

Mr McClelland: It ties in. Again, we'll come back to maybe some specifics tomorrow. The whole area of groundwater contamination with respect to buried asphalt: There are a number of specific situations across the province, individuals whose groundwater is contaminated. There is certainly some evidence; it may or may not be in dispute, but there seems to be fairly compelling evidence that the groundwater has been contaminated, in some cases severely contaminated, as a result of asphalt buried on their property.

In some of those circumstances that asphalt has been there for a long time through municipal dumping or, in some cases, I understand the Ministry of Transportation has dumped asphalt on people's farms or land. I wonder what we're doing, what your policy position is with respect to the cleanup and redress for individuals who are now quite literally suffering as a result of groundwater contamination emanating from asphalt being buried on their property or near their water sources.

Hon Mrs Grier: I'm sure we're familiar with some of the ones where extensive and exhaustive studies have occurred. Our response on an individual basis is certainly to try to ascertain the cause of the problem and in many cases supply drinking water to the individual. But again, I think our discussion about lakefill and contaminated materials is relevant, because you can deal with the individuals, but the problem, long before I became the minister, is that many of these occurred because of improper disposal of asphalt. That's why our materials handling policy is very much going to be looking at where it is appropriate to dispose of materials that run the risk of causing contamination.

As in so many other areas, we're dealing with the specifics: providing water, dealing with an evaluation and examination, all the scientific work around that and, at the same time, putting in place measures to ensure that we don't expose ourselves or individuals to those situations in the future.

Mr McClelland: Is that a policy position, then, and a commitment of the ministry to supply safe water for victims of groundwater pollution?

Hon Mrs Grier: For example, in Manotick, our immediate response was, yes, let's provide the drinking water. Then as we began to look at alternative ways of

perhaps providing that water, we didn't provide it any more. With individual cases we have provided it; in some cases we're providing it for dairy cows for quite some time.

I think you will understand that we look at each particular situation, evaluate the liability and try to find who was responsible for causing the contamination in the first place. But certainly, to somebody who finds that their well is polluted, usually the local health department moves in and is the first sort of response when that occurs. The provision of drinking water is the first immediate priority, and that has to happen first.

Mr McClelland: So at the end of the day if, during the process of trying to determine who's responsible and who will redress the issue, a person's operation is put in jeopardy, that's just too bad. Or is there something we can do in terms of the Ministry of the Environment to give individuals at risk and in jeopardy some assurance and some sense of immediate redress, to at least see them over until those issues of liability and a final solution for those specific cases is arrived at?

Hon Mrs Grier: Well, I don't know whether you have a specific case in mind, but I know, certainly from a couple of cases I've dealt with, the demand from the individual affected has been for an ongoing, permanent and constant supply of drinking water provided by the ministry.

In many cases it has been, I think, far more appropriate for the individual concerned to take some action around the liability and to begin to identify where in fact the liability lay.

I'm certainly not prepared to say that in all cases and without question we can provide water for ever, because I know you would be the first to ask why I am spending the taxpayers' money solving the problems individuals may have created themselves, in some cases, by improper disposal of materials; sometimes they are victims of somebody else's improper disposal—

Mr McClelland: And that's my concern, really, the victims who, through no fault of their own, find themselves at tremendous risk and jeopardy, and sometimes quite literally are on the edge of survival and are saying, "Who will help me?"

Hon Mrs Grier: That's a very real problem, and the Environmental Compensation Corp and others are there to deal with that.

The Chair: Thank you, Minister. Thank you, Mr McClelland. It being 6 of the clock, I wish to advise committee we have four hours remaining. We will reconvene tomorrow at 3:30 or immediately following routine proceedings. This committee stands adjourned.

The committee adjourned at 1803.

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*In attendance / présents

Also taking part / Autres participants et participantes:

McClelland, Carman (Brampton North/-Nord L)

Clerk / Greffier: Decker, Todd



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Wednesday 21 October 1992



Journal des débats (Hansard)

Mercredi 21 octobre 1992

Standing committee on estimates

Ministry of the Environment

Comité permanent des budgets des dépenses

Ministère de l'Environnement

Chair: Cameron Jackson
Clerk pro tem: Lynn Mellor

Président : Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 21 October 1992

The committee met at 1539 in committee room 2.

MINISTRY OF THE ENVIRONMENT

The Acting Chair (Mr Gary Carr): Let's call to order the standing committee on estimates. We're going to continue with the Ministry of the Environment. It's my understanding that in the rotation now we will be going to the Conservatives, the third party, and that we will have 40 minutes.

Mr Bill Murdoch (Grey): Are you going to bring the Niagara Escarpment Commission people as witnesses?

Hon Ruth A. Grier (Minister of the Environment): Yes, we have representatives here from the Niagara Escarpment Commission, for whom Mr Cousens had indicated you had some questions. Terk Bayly and Nars Borodczak are here and can both perhaps come forward.

The Acting Chair: Would you come forward and, just for Hansard, identify yourselves, names and titles and positions, if you could.

Mr Terk Bayly: I'm Terk Bayly, the chairman of the Niagara Escarpment Commission.

Mr Nars Borodczak: My name is Nars Borodczak. I'm the director with the Niagara Escarpment Commission.

Mr Murdoch: It's nice to see you both here today. I have some questions we could start off with. I noticed that last year you had a budget of \$3 million and you spent somewhere around \$2.4 million. This year you have a budget of around \$2.6 million. I wonder if you can outline just a bit what that budget will be used for.

Mr Bayly: It's mainly for staff. We have a staff of 35 full-time people, mostly planners. We have some additional expenses, of course. We have some vehicles and we have 17 commissioners who get a per diem and travel expenses. That rounds it out pretty well.

Mr Murdoch: How many offices does the NEC operate?

Mr Bayly: Three offices: one in Thornbury, one in Grimsby and the main office in Georgetown.

Mr Murdoch: So you have a staff of 35. That's where most of our money is spent, then, that the NEC is using. In your own mind, justify to me why we need that many planners when every either region or county has its own planners. I find here we are spending \$2 million to \$3 million on more planners. It seems that the cost just seems to escalate. How can we justify this to the people out there that we're spending this much money, that we have overlap with all this planning?

Mr Bayly: In a typical year we have about 1,000 applications for development permits, a dozen or so applications for plan amendments and, I forget the number, a very considerable number of comments on official plans and

other government requirements. That, divided among our small number of planners, is quite a big load.

Hon Mrs Grier: I suspect Mr Murdoch's question is more directed at a policy approach as to why the Niagara Escarpment plan is required. I don't know whether he wants us to go into some of the background and perhaps share with the committee some of the planning and studies that went into the creation of the legislation and the role of the Niagara Escarpment Commission, but essentially the staff who are currently showing in the estimates of this year are those who have been there to implement the Niagara Escarpment plan, which I think is the province's only environmental land use plan and one that has acceptance from all three parties in this Legislature.

Mr Murdoch: That may be so. I wouldn't want to make quite that broad a statement, that it has acceptance from all three parties, but I don't think that's why we're here, to get into that. If people want some background, I have no problem with your laying out some of the background. But if we want to go into the Niagara Escarpment plan and the way it was set up originally, that it was to be disbanded, we wouldn't need all this extra staff and planners. That was the original idea of this whole plan.

So that's what I'm getting at, that now we're still overlapping, what is it?, 10, 15 years later, with all this extra staff and extra payroll, and it amounts to around \$2 million to \$3 million that could go elsewhere in a government that's cash-strapped. That's what I'm saying: Where's the justification, when originally we shouldn't even be into this now? We shouldn't have a Niagara Escarpment Commission at this time.

Hon Mrs Grier: I think that's certainly a long-standing debate that I and others from all sides, as I said, have carried on, and I couldn't disagree more fundamentally with Mr Murdoch. We have, in the Niagara Escarpment plan, a plan that has been recognized by UNESCO as a world biosphere and as an example of planning that other regions of the province are attempting to emulate and that we're trying, through a royal commission, to implement in planning and development.

The legislation very clearly spells out an ongoing role for the Niagara Escarpment Commission and a function with respect to the planning and protection of the Niagara Escarpment that does not overlap and is not in fact similar to that of any other entity. But perhaps Mr Bayly would like to talk about the specifics of those areas and regions where in fact official plans are being brought into conformity, which may be part of the particulars with respect to planning applications Mr Murdoch is stressing.

Mr Bayly: I think it's fair to say that the three southern regions in the plans have been brought into conformity with the Niagara Escarpment plan. That really does not

reduce the workload on the staff of the commission very substantially, because the development permit applications must still be processed.

I think a further answer to Mr Murdoch's question is that there is provision in the act, as he knows, for delegation of development control to the upper level of municipalities. At the present time there has only been one application that I know of, and that was the region of Niagara a number of years ago. That was subsequently withdrawn. So the power of the act does provide for that possibility.

Mr Murdoch: That's what I was saying right from the very start. That's what I said: The act did set up that we could actually be out of this. Now, as you mentioned, three regions have conformity. Why then hasn't the commission pushed to give them the authority to do this? If the conformity's there, then we wouldn't need all the planners or all the staff we have right now, and it wouldn't cost all this kind of money if it's turned back over to the local regions that have come within conformity. Can you explain to me why the commission doesn't do this?

Mr Bayly: I think I could say that the commission has never viewed it as the commission's responsibility to try to persuade upper-tier municipalities to take on development control. On the other hand, the commission has never tried to avoid it, never been against it. It's a matter that we believe has to be stimulated from the upper-tier municipality rather than from the commission.

Mr Murdoch: Yes, I can see where the commissioners wouldn't want to lose their jobs, but I think they would if they were going by the act and properly wanted to save money in a province that is cash-strapped; they would be proceeding with this. Okay, we can go around the table on that all the time. It's just a different philosophy.

I guess it gets to the point then that we have a five-year plan that was supposed to have been here last year. Maybe either Ruth or Terk, or someone, can explain to me where the five-year plan is and what's happened to it.

Mr Bayly: Do you want me to tackle that?

Hon Mrs Grier: I think perhaps Mr Bayly can explain the response to the hearings and the time frame the commission is now working to.

Mr Bayly: The act requires a review of the Niagara Escarpment plan every five years. When the five-year period was up, the then government instructed the Niagara Escarpment Commission to undertake the five-year review. This is now two years ago, and the process has gone through all the public hearings, the presentation to the hearing of the proposed changes by the commission. It's gone to the hearing officers, and we now understand that the hearing officers' report will arrive by the end of this month.

Mr Murdoch: We look forward to seeing that in the House. There'll be consultation with the committee?

Hon Mrs Grier: Perhaps it would be helpful to the committee if Mr Bayly or Nars outlined the process that occurs once the hearing officers' report is received by the commission.

Mr Bayly: It's simply this: When we receive the hearing officers' report, which will no doubt be lengthy, the commission staff and the commission must go over it very carefully to search out what proposals the hearing officers are making that are not in line with the proposals made by the commission. The commission must then consider those changes and comment on them. Then the commission's comments are forwarded to the minister. The next part of the process, of course, is that the minister has to consider them, and ultimately they go to cabinet.

Mr Murdoch: So it's almost like a five-year review, and it takes five years to get the review, so we're going to be about 10 years before we ever get through this. As you said, it's taken two years now since we initiated the five-year review.

Mr Bayly: That's why we hope it'll be done in under five years.

Mr Murdoch: Would this be the reason there are some recommendations the commission has sent to the ministry pertaining to the act that have never been acted upon? Maybe this question could be to you, Minister.

Hon Mrs Grier: Yes. I think these are administrative and changes in the legislation that have been under discussion even before I became the minister. Part of our consideration is whether we have the opportunity to introduce legislation twice or whether, in reviewing these suggested amendments, they are in fact more appropriately dealt with at the time cabinet and the House considers whatever emerges from the five-year review.

So you're right; we have been considering whether we should proceed separately with some amendments or whether, in view of the fact that the hearing officers' report is anticipated shortly, it would be preferable to deal with it all together.

Mr Murdoch: I don't know whether you can or not, but could you guarantee maybe the House or the people here today that if you proceeded with the amendments the commission has sort of put forward, rather than the five-year plan, we will be given, as opposition, adequate time to discuss those in the House before you just all of a sudden bring them down?

1550

Hon Mrs Grier: Mr Murdoch, you know very well that I'm not the House leader, and any prediction on my part with respect to timing—time in House, time before committees—would be merely that: a prediction. I couldn't give you any sense of how long might be available for that should the legislation be introduced.

Mr Murdoch: I appreciate that, but I'm asking you as the minister in charge of the Niagara Escarpment Commission, would you recommend that there be full discussion on anything like this, that come from the commission to you?

Hon Mrs Grier: If legislation is required, then obviously the legislation would have to be introduced for first reading, there would be an extensive debate at second reading and extensive debate at third reading. The House will determine the length of time for each of those stages

and the process of review that would be undertaken. But if it's legislation, then the schedule is fairly clear. How long each of those stages takes, as I've said, is not for either you or I to determine.

Mr Murdoch: One more thing before I go. I know Don and other people here have questions, and I don't want to hold the place up.

This is getting back to estimates and to the money that is spent on the NEC, which I have some concern about, when we're spending over \$2 million a year. It is a practice of the commission that when someone decides to go ahead and build a building or something without a development permit, the commission will take these people to court over this. This has happened, and it's fine up to this point. But after the person who has built something without a permit has turned around and applied for a permit and received a permit, why does the commission always proceed to go on to chastise this person, take him on to the court to get its ounce of blood, you might say, from him?

This is something that's bothered me, and it bothers a lot of people in my area and all over the commission, that you continue on even though they've got their permit. They may have started to build, and maybe they knew and maybe they didn't, I don't know, in different cases; some people, I know, probably disregarded the law and just went ahead. But you must continue on then to extract your ounce of blood from them, and that's costly, because as you know—and I've been at many hearings—you'll supply all kinds of lawyers and planners and things like that, which cost the province money, which is in that budget. There are ways of saving money and I think the commission has to look at things like that.

Can you explain to me why you proceed that way?

Mr Bayly: I think Mr Murdoch has asked quite a few questions, the first one being that we take an applicant to court who proceeds without having received a development permit.

Mr Murdoch: Fair.

Mr Bayly: Normally, what we do—we understand that many people aren't conversant with the law and the requirements of the act, and they may proceed, let us say, to build a structure not knowing that they are required to do that. Our staff are instructed to go to the applicant, or the non-applicant, in this case, and say, "You need a development permit for what you're doing." They may even advise them that what they are doing is totally within the requirements of the plan or that it is not. But they certainly don't take them to court at that stage.

For that matter, the Niagara Escarpment Commission doesn't take people to court. That is not what we do. If the person ends up in court as a result of a contravention, it's done by the Ministry of the Environment's IEB, investigations and enforcement branch, and we are at arm's length from that process.

The other thing you said, or seemed to be implying, is that the Niagara Escarpment Commission—and I presume you meant the staff rather than the commission itself—in effect follows after successful applicants' redevelopment permits and somehow or other give them a hard time, take

them to court and do a number of things, which I suggest is not true.

Mr Murdoch: You're suggesting that's not true. Well, there are cases—and I guess we don't have time to get into those—where you have followed through. Maybe we should bring them up with you at a later date, because there are some cases where your staff, or the Ministry of the Environment staff, have followed on through with recommendations—

Mr Bayly: I would be happy to discuss those with you at any time that's convenient.

Mr Murdoch: If you want to discuss them with our member for Grey, I'm sure he certainly would like to discuss them, because he said he has tried to and has not always succeeded.

Mr Bayly: He does an excellent job.

Mr Murdoch: I know. So he is really concerned about some of those cases that are going on. That seems to be the problem. I can just address this to the minister. At least in our area, there seems to be a strong force built up against the Niagara Escarpment Commission, and I was at a convention in Burlington, which is in Halton, and it's the same thing; I didn't know about it until the weekend. It seems to be the extra bureaucrats we have trying to run the province; they overlap, and there seems to be a lot of money.

As you know, your government is strapped for cash. I'm just suggesting that there are ways you can save some money with the commission. Some of the staff members seem to get overzealous in their job. I'm not blaming it on the chairman; he can't be in control of all 35 of them. But there seems to be some problem that way. If you looked into that, I think you could save yourself some money.

Hon Mrs Grier: I'd like to respond to that by saying to Mr Murdoch that if he has some specifics and some instances, I would be more than happy to investigate and to assure myself that there is neither unnecessary expenditures of public funds nor harassment of people who are proceeding in accordance with a permit. I can assure you, we have a lot of enforcement obligations and more things to examine than to go after somebody who's operating in conformance with any regulation or law of my ministry.

Let me respond to your comment, Mr Murdoch, about people who don't like the Niagara Escarpment Commission. I have to agree with you that certainly there are a number of land owners throughout the area covered by the Niagara Escarpment plan who would much prefer to have the right to develop in an unfettered manner within what is a particularly important and precious part of the environment of the province of Ontario, a part of the environment that has been designated as a special part that needs to be protected by an act of this Legislature, which was introduced by your party and government long before I became the minister, and supported by the current official opposition and certainly supported by the New Democrats.

So there is widespread public support, and I receive indications of that constantly from people all around the province about the value of the work of the Niagara Escarpment Commission to the environment, to the ecosystem, to tourism

and to the recreational facilities of the people of this province. What the commission is charged with is a very delicate task of balancing the rights and aspirations of people living within that area to enjoy the use of their property while at the same time protecting the environment which they have a part in. If somebody comes from a municipal background and has dealt with the committee's adjustment and planning, I know that sometimes those decisions are very difficult ones which certainly tend to leave somebody happy and somebody unhappy.

So if you go to a meeting in Burlington and find a lot of people who are unhappy about the Niagara Escarpment Commission, I suspect they are, in many cases, people who have been denied a permit because what they wanted to do was not in conformity with the protection of the escarpment or who have aspirations to do even more development than is currently likely to be permitted by the plan. The five-year review will address all of that.

Mr Murdoch: Some of the things you've said may be true, and I certainly would not want to ruin the Niagara Escarpment. But there are some problems. I can tell you that it wasn't set up properly, and some people have paid for their sins in the past. I don't know if too many people who originally worked on that plan are still sitting here; maybe that's why they're not. I'll tell you, whichever government put it in, it will certainly pay for its sins. As I say, a lot of them aren't here any more, and that's probably the reason they aren't.

Certainly we want to protect the escarpment, but unfortunately it has gone too far in some areas. I suggest that all of those people who do not like the escarpment commission are not people who have had things turned down. There are a lot of people out there concerned about other people's rights too. Madam Minister, the rights of people are being trampled on because of the Niagara Escarpment plan and the commission that enforces it. In the future, I think we will have something to say over that, and I will bring you some cases and we can look into them and see where we can go from there.

Hon Mrs Grier: I'd be happy to do that.

Mr Murdoch: Thank you, and I thank you two for coming here.

Mr W. Donald Cousens (Markham): I don't have any questions for the Niagara Escarpment Commission. I appreciate very much their coming today, and I thank my colleague Mr Murdoch, who's really helping us a great deal in understanding the problems in the Niagara Escarpment Commission and representing the interests and concerns of all the people very well. I appreciate very much, Mr Murdoch, your assistance on this part of the estimates from our caucus.

1600

I know Mr Grant is tight for time. I have three questions I'd like to pose, if I may, to the Ontario Round Table on Environment and Economy. I appreciate very much the fact that he's been able to come.

The Chair (Mr Cameron Jackson): Mr Grant, please come to the table and introduce yourself and get comfortable. Mr Cousens has several questions to ask you.

Hon Mrs Grier: Perhaps we could ask Mr Grant to introduce himself for the record.

The Chair: I did that. I might add that as Mr Grant's time is tight, if there are any supplementary questions when Mr Cousens is finished, the Chair will entertain that and ensure that time is allocated fairly. But with respect to your presence here today, sir, if there are any supplementary questions from the other committee members, we will entertain them when Mr Cousens has completed his line of questioning. I just thought I'd advise the committee of that.

Mr Jon Grant: I'll introduce myself to the committee. I'm Jon Grant, chairman and CEO of the Quaker Oats Co in Peterborough. I also wear another hat as the incoming chair of the Ontario Round Table on Environment and Economy.

Mr Cousens: I'm most grateful that you'd find time to come. We politicians have our little processes, and for as busy a man as you are to take the time to come and share some of the background information, I say sincerely a very big thank you. I realize the sacrifice that people like yourself are making, and I encourage it.

If my questions are taken the wrong way, it's not that they're meant that way. The concern I have about the report of the round table on the economy is the failure to address the cost analysis of the recommendations. My whole series of questions falls under that umbrella. I think there are many concepts that are very good regarding a sustainable economy. I'll put to you my three questions; they all tie in so well together that you can then weave your answer as best you can.

I'm looking for some kind of cost analysis on the proposals. If I saw that, I think it would begin to make it somewhat more plausible because then you could begin to show an implementation program in certain areas that may be more tricky than others, particularly with regard to the metal resources industry. I know Bill James personally, and I know he was also on the round table. How did his industry reacted to the findings and the statements within your report? Because should his industry have to implement the kind of recommendations implicit in the report for the continuing production and smelting of ore and the production of a product, that would cause some concerns, so I'd be interested in their feedback.

I would also like to have some information on the respective job losses or job gains, the effects on investment. I guess I'm asking, what do you see as the effect on the economy? It has certain far-reaching implications to the whole economy as to loss and gain for jobs and investment in Ontario. I think investment in Ontario is one of the overriding things as well. To you.

Mr Grant: Let me lead back into the discussions we had at the round table. As you know, it was very much a multisector group, people from a variety of disciplines, including the environmental groups and education and the political side and business, and the native people too, who were on right from the start.

We sent out to what we called our task forces—for instance, there was a task force on forestry, a task force on

mining and resources, a task force on agriculture—and asked them to work through with us and come back with some points of view that they were prepared to put into the process. In fact, in many cases a lot of the recommendations emanated from what we called the task force reports. Just to give you a kind of editorial comment, I know I was pleasantly surprised, having a foot in both the environmental side and in business, at how what I would call defined and far-reaching the task force reports were on both the mining side and the forestry side. Obviously people in those industry groups had already thought through some of the implications.

One of the real problems about doing cost analysis, because we spent a whole day with the Ontario Securities Commission and a number of the major pension funds trying to talk through some of these issues, is that you end up trying to analyse each individual item. At the same time that we were dealing with that, we were facing some realities around the world. For instance, to give you an example, Germany now has by far the toughest packaging regulations of any jurisdiction there is, which are going to float through Europe very quickly. That is also true in a number of the resource industries in which we in Canada are suppliers to these other places. We are coming up against customer requirements or requests that are going to set the tone in many cases in terms of the kinds of environmental standards that I suspect will creep through certainly the developed world.

With regard to the job losses, my argument—and I think a number of us came to this as we looked at various industrial organizations—is, basically, that the companies that seem to be the leaders in individual industries tend to be more environmentally conscious. I used the words “environmentally conscious”; let me take it on a broader scale and indicate that from a conservation point of view, whether it's water, energy or resources, they tend to watch their figures a lot more closely. That likely is as a result of being where they are in the industry.

One of the great concerns we had is we looked at these companies and we said, “Look, there is not necessarily a net cost, but there is a net cost, and the net cost is in those companies that are seen as not as efficient and up to speed in terms of the leaders in the various industry groups.” They're the ones, I think, that caused a lot of discussion in there. What we came up with is a suggestion in the report by the full body was that companies at the top of their industry, within industry groups or industry associations, become mentors to those companies that are having difficulty coping with some of the environmental changes, not only in Ontario but also around the world.

Looking at what we called restructuring for sustainability, my view is that at this stage of the game we would have found ourselves in an awful lot of what I would call very subjective detail, getting into cost-analysing the various pieces. This is not to suggest that it doesn't have to be done. The water issue is a very good one. We first started talking about what is the real price of water by the time you get it through the system and by the time you put it through the sewage process and it goes back out in the rivers. If you're an industrial user that uses a great deal of

water, you have a huge problem with that kind of thing if that's what you're talking about.

We said, “What we're really saying is for the consumer side, the household side,” and in fact not even move that far, but say, with some kind of phantom bill that you might get, “By the way, did you know that the price of your water is this and you're really paying this?” It's an educational process so people develop more of an understanding, but not in any way, I think, to suggest that that industry would not be competitive.

I think in the final analysis, when you get people like Ted Boswell from E.B. Eddy and Bill James, whom you know well, and Dick Thomson, who of course as a banker watches all of our pocketbooks, saying: “Okay, we've come a long way into understanding this. We're prepared to sign off on this basis,” the next step is to try out some of these in terms of what is the real price of water or what the phantom pricing of water is. I think that none of us would be in a situation where we would say to you as the government, the Legislature, that we would put ourselves in a non-competitive Ontario situation. In fact, the reverse might be true, that we would want to attract companies into Ontario that have high standards, the people at the top of their industry, who can lead the way. I've talked a long time. I apologize for that.

1610

Mr Cousens: You're very helpful. That was a consensus approach?

Mr Grant: Yes.

Mr Cousens: When you came to that general conclusion you've just enunciated, that's the feeling that came out of the—

Mr Grant: Yes. When we came to the final day—and it was an interesting approach, because round tables take a long time and an awful lot of debate. You get 21 people around the room and we say, “Okay, has everybody bought in?” We start around and people put up their hands. People did and I think we're prepared to follow through.

Mr Cousens: Does the minister accept the approach that has been expressed by Mr Grant as the kind of direction the government would want to take with the report that has been submitted?

Hon Mrs Grier: Oh, I think entirely. What has been encouraging throughout this phase of the round table has been to see some of the concepts at the round table we're discussing begin to appear in the work of other agencies and independent organizations.

The whole question of full-cost pricing of water, for example, and water efficiency has been very much part of the consultations the Ministry of Natural Resources has been undertaking around the province. Some of the work of the government in developing an industrial strategy, talking about green industries and the whole question of encouraging environmental industries has been very much consistent with the discussion and thinking occurring at the round table. The approach of the Ministry of Energy with respect to energy efficiency, again, begins to put in place some of the principles Mr Grant is talking on.

Mr Cousens: What kind of feedback have you had from resource industries? Have you had anything back, or have you had a chance to assess it?

Mr Grant: We certainly haven't had any negative feedback, which is likely a plus in itself as it stands. Usually, industry associations will react pretty quickly if we're away off base. The report was received, I guess, better than I would have expected, certainly through the media, which is encouraging.

The challenge now is to go out and talk to the associations. What we've suggested here is that members of the round table are going to get out around the community. A lot of us get a lot of invitations to speak at association conventions and meetings, and that's really where the rubber hits the road. If you go into a mining association meeting or a Canadian Bankers Association meeting in which they invite you to speak on the round table—and these are now getting piled up a little bit—then you get the questions from the floor and you really know, then, what some of the real issues may be. So far, things are fine and in fact I hope we get some controversy and discussion. It's the only way, I think, we keep ourselves aware of what's going on.

Mr Cousens: What do you see as the next part of your agenda on the round table?

Mr Grant: I think we have a couple of things: One is to get out and talk to a lot of people about restructuring for sustainability. That is, here we are; we came out with the challenge paper, the six principles. What encouraged us a lot at that time were companies picking up the six principles and talking about them in their annual reports and what not.

Now we've come to restructuring for sustainability; getting out and talking to people about the report; getting some feedback. But more important than that, the key to the round tables is getting people involved, whether they're community round tables, cities or towns, of which there are about 13 now in Ontario—they were actively going—and also industrial round tables. No better way can you bring groups together within an industrial situation than in discussions about conservation and the environment. They have been tried, a number of the companies—I'm on two boards where they have industrial round tables now, working well. It's a concept that we want to get more embedded into what I call the Ontario experience. It doesn't cost any money and it provides a platform for a lot of people to get involved in a non-confrontational subject.

Mr Cousens: Madam Minister and Mr Chairman, I thank Mr Grant for his input. It's like one of those situations: A lot more is gained when you see a person eyeball to eyeball than you do in reading a report. You wonder sometimes what the agendas are and, had there been better communication along the way, I might have had some kind of different response—

Mr Grant: That point's well taken.

Mr Cousens: I have nothing further of Mr Grant, unless someone else does, Mr Chairman.

The Chair: Are there any other questions for the committee members while Mr Grant's—Mr Lessard?

Mr Wayne Lessard (Windsor-Walkerville): I don't really have any questions, but I just wanted to thank you for taking the time out to attend before the committee today and taking the time out to get involved with the round table. I've read some of the accomplishments at the Quaker Co and I think they're impressive and they show leadership for other companies in Ontario to follow as well, and I hope you keep up the good work.

Mr Grant: I think thanks go to a lot of people who are volunteers on the round table. The attendance was superb, and that, I think, was a real credit to its work. I thank you.

Mr Ron Eddy (Brant-Haldimand): Madam Minister, I just wondered about outreach and establishing round tables in other communities. Is that a role of the ministry or is that a role of the round table, that they're encouraged to do that? I imagine it happens by word of mouth.

Hon Mrs Grier: It began to happen. That was one of the exciting things during the work of the round table, that communities came and said: "Hey, we think is a good idea. We'd like to do it in our community." During the first phase of my chairmanship we were able to pull together for a couple of days representatives from round tables across the province, which I think proved very valuable both to the round table and to them to share what was happening.

The work of the task forces of the round table was an outreach approach and some of the community round tables sprang from that. As Mr Grant has said, the next phase of the work of the round table, which Mr Grant is going to chair, is going to concentrate on doing that. I'm not sure we're at the point of saying what the resources are and what the formulas will be, but that's again open to approaches.

If you want to start a round table, we've got all sorts of documentation about how to do it, and perhaps Jon can comment on how it would go.

Mr Grant: Sure, I'd be delighted to. You've asked a great question because we're having a get-together in Peterborough, of all places, which will be great for me, on Saturday, November 7, for the community round tables which are not only established, but those which want to establish themselves. We're going to go through some of the good experiences we've had and the learning processes and try and broaden it to more communities. It's a great way to get people from different sectors in a community together.

Hon Mrs Grier: So if you'd like more information on that, we'd be happy to make sure that we get that to you so that you're aware of it for your community.

Mr Eddy: Thank you very much, and keep up the good work.

Mr Cousens: Mr Chairman, I have other questions. There doesn't seem to be any—

The Chair: Let me offer a quick suggestion, and normally I would do that. Are there any additional questions for Mr Grant? Thank you very much, Mr Grant.

Given that we were delayed untoward yesterday in the process of starting, there has been a suggestion that perhaps we might make an effort to complete our estimates

today, if there was agreement, if the time was shared a little more equitably.

Mr Cousens: How much time do I have left, Mr Chairman?

The Chair: Your entitlement is 70 minutes, both you and the Liberals each have 70 minutes, and we only have, as you can see, about an hour and 40 minutes. But if we could work some arrangement, if the government party wishes to yield the balance of its time and if the minister might be agreeable to staying for a few minutes after 6, we might be in a position to complete today.

It's very clear to me, as the Chair, that our start next week would be a partial start, so we'd be starting one estimates, finishing, and then having to start a second estimates in mid-meeting. I will only entertain discussion for a brief period on any kind of proposal. Normally I do not do this during committee time, but it has been suggested. Is there any interest? If not, I will be proceeding on straight time allocation and each of the caucuses have had their time allocated fairly and you each have about 70 minutes apiece.

Mr Carman McClelland (Brampton North): I just want to comment. I'm interested in accommodating the members of this committee and the function of this committee to any extent that I can help that. I think that if we could move ahead today, we can cover things fairly well.

The Chair: I need a signal from the government.

Mr Lessard: We don't have any objection to that suggestion.

Mr McClelland: I'm just thinking in terms of the logistics of you trying to get this—

The Chair: I'll worry about that.

Mr Lessard: That's fine.

The Chair: My two key elements are if the government's prepared to yield, if the two opposition critics could shave a few moments of their 70-minute allocation and the minister extends perhaps to a quarter or even 20 after the hour. Would that be a fair approach?

Mr Cousens: Just to add to it if that's the case, because I'm interested in as large a block as I can have. But if it turns out that we need to cut it back, we might refer some questions back to the minister for a written response if there isn't enough time to finish it today.

1620

Hon Mrs Grier: I certainly would rather try to do it in verbal response. I think it's more helpful for all the members of the committee. It's certainly more helpful for ministry staff. I have a real problem in that I've an engagement at 6:30 in my riding with respect to the referendum campaign, so I'll have to leave at 5 or 10 minutes past, assuming the Metro police aren't giving tickets.

The Chair: Okay. In fairness, the verbal responses are not allowing us to cover much ground. I think what Mr Cousens is suggesting is if it's acknowledged that, when questions are put on the record, we're able to treat them as estimates questions and they'll be responded to forthwith.

Hon Mrs Grier: I'll try to be brief in my answers and we'll see if we can cover all the ground Mr Cousens wants to do.

The Chair: That's what I was hoping to hear. Thank you. If that's the case, then the Chair will proceed under those general guidelines and we will be extending our sitting time by 10 or 12 minutes, and the Chair will deal with that if there's no difficulty. Is that—

Mr Cousens: How will we accommodate the minister if she's rushing out?

The Chair: We're accommodating everybody. Proceed now with Mr McClelland.

Mr McClelland: Pardon me while I—

Mr Eddy: May I, just in the interim, ask a question then of the minister about the Niagara Escarpment Commission? Minister, I'm wondering about the future. I realize it's a five-year review and it's every five years; it's an ongoing five-year review. The conservation authorities are active, I expect, in all these areas as well. I wonder if we've ever looked at the possibility of having either the municipalities, where there are upper-tier plans—it was mentioned that there are three—take on the work, or indeed having the conservation authorities look at assuming the role of policing or responding to the escarpment's policies. Is that something that could be looked at in the future, or is that not a good idea?

Hon Mrs Grier: There's very close collaboration between the conservation authorities and the Niagara Escarpment Commission. Certainly, in the protection and a lot of projects that have been funded in respect to wetland restoration or woodlots, the conservation authorities are partners. The difficulties then become areas of jurisdiction, because conservation authorities are sort of on a watershed basis and the escarpment cuts across watersheds, so you get into all that.

I think what we all try to do is work together. There are a lot of good examples of that. If everyone is clear as to what their jurisdiction is, then it's easier to put it all together and get on with the project—who's lead and who's funding.

I think the other critical question I'd like to respond to is that the role of the Niagara Escarpment Commission is unique. If we share the will to protect this unique resource, then the cumulative effects of development are very critical and will only be known if we look at the entire escarpment. We're now beginning to try to collect some data that would enable us to see—one development permit here and one here perhaps doesn't seem like much. When you put it all together, then you've whittled away at a lot of areas. That's never been done, looking at the cumulative effects. You need one entity that covers the whole escarpment to do that.

Mr Eddy: Thank you.

Mr McClelland: Minister, I want to discuss with you, if I could, one of our—we've already had about five favourite topics. I guess it's a grouping of them.

Hon Mrs Grier: My whole ministry's a favourite of everyone.

Mr McClelland: Yes, it is, and there are so many interesting and important areas to talk about. I want to touch base for a brief while, at least, in the area of the often talked about and bandied about and political fodder issue, quite frankly, of refillable bottles, and the realistic attainment of the quotas and what's happening with that. I don't need to run by the numbers, and I don't do this in a sense to be confrontational. But the fact of the matter is, as you well know, that we're way off our numbers in terms of refillables, going back over the summer. I know it's cyclical in nature, but we're running below 6% for a couple of months in the summer, as low as 5.4% of soft drink industry refillables in July, 1992.

I know your interest and your first principle is one of refillable as opposed to recyclable. I also know that in terms of convenience, consumers feel very much that they're doing their bit, if you will. I think that's a psychological reality. I have no authority to say that other than just a sense that people feel generally, "We're doing our thing because we've put our containers into the blue box," and so it goes, and the fact of the matter is that the recyclable materials make the blue box viable.

We have, if you will, competing interests. We have a tension that exists in terms of the desirability of refillable and the desirability of recyclable to make that program, the blue box program, among others, viable.

You have an interest, and I think appropriately so, and I think quite frankly you're to be commended on it, in terms of advancing refillable as the first priority in terms of your hierarchy. You have some proposals forthcoming. I'd be interested in knowing what your position is with respect to enforcing or moving towards a refillable preference, with a tax structure you are now empowered with under the Waste Management Act, looking at, among others, the New Brunswick model, which is certainly one which came into place as of June or July—I believe it might have been June of this year—and the opportunity to study that, to look at the impact that has had on a year's cycle.

I guess in short what I am asking, Minister, is, what are we doing in terms of looking at the proposal for differential deposit or half-back deposit or however one wants to term it and what plans might your ministry have in that area, and how do you mesh that with the dynamic tension I referred to that you're well aware of in terms of the refillable versus recyclable issue?

Hon Mrs Grier: I think, Mr McClelland, you've captured the essence of the problem very well. There's only one point you've made I think I would take issue with, which is that recycling is required for the viability of the blue box.

Mr McClelland: Let me correct that.

Hon Mrs Grier: That was certainly the initial hope with aluminum containers and they've then moved back to steel and that didn't happen.

Mr McClelland: Let me say it's an important part.

Hon Mrs Grier: But I think you're absolutely right in your contention that for consumers, they feel if they've tossed the container in the blue box, they've done their bit, so the impetus to do the best for the environment by mov-

ing to refillables has not been there because the blue box has been it.

It's also important to note that the blue box of course only captures—I think the last time I looked it was one out of three or two out of five refillable drink containers, so there's an awful lot of non-refillable containers that are in the garbage, on the roadsides, and the whole litter issue has not been addressed.

As you know, I have tried ever since I became minister—and I've bedevilled two ministers before me, if not more—to come to some resolution of this. I think where I'm at is recognizing that regulations 622 and 623 that came into effect in 1985 have not done the job.

You know all the reasons the industry says: Consumers won't buy. Many others say the industry hasn't tried to market its product in a way that reflects the need to live up to those regulations. But everybody seems to agree that regulations are not the way to do it. So looking at a deposit system as a way of achieving a higher percentage of refillables became a priority for me when I realized that all the discussions we'd had and the proposals back and forth were not leading to a resolution of this.

We met with the soft drink industry and everybody concerned and talked about the various deposit systems and whether it would be a deposit on everything or whether it would be, as you've said, the New Brunswick system, which is a differential deposit. That means that if you charge a deposit of 20 cents on a soft drink container, if it is a refillable, when you take it back, you get the full 20 cents. If it's non-refillable and only recyclable, when you take it back, you only get 10 cents. That seemed to have the advantage of a deposit which would ensure recapture of all containers, refillable or non-refillable, as well as an incentive to the consumer to buy refillable containers.

Mr McClelland: And a little bit of revenue for the government.

Hon Mrs Grier: Well, there could well be some revenue for the government, but that was not a primary aspect of this.

Mr McClelland: No, I understand that.

Hon Mrs Grier: The revenue would probably need to be spent to set up collection depots and whatever other system you were going to have in place.

What we have done is ask for a study to be implemented to look at that scheme. It came into New Brunswick in June. I was there on vacation later this year and was pleased to see that it was generally accepted and nobody was complaining about it. How much it works and what happens we don't yet know, so we asked consultants to do an examination of that for us, and other aspects of a deposit system: the impact on the retailers, the impact on the small corner stores, how best we might set up the infrastructure to begin to put it in place. We haven't yet had that work completed. When we do, that will be a very useful set of data to help us make a decision around this.

1630

Mr McClelland: My understanding is that is a study somewhere in the order of \$250,000, commissioned by the ministry. Is that correct, somewhere in that order?

Hon Mrs Grier: I don't know whether Mr Castel can give some costs.

Mr André Castel: It's a study Price Waterhouse is doing for us, and from memory I believe it is approximately \$90,000, but I stand to be corrected and I will check that out for you.

Mr McClelland: If you could check that, I'd appreciate some confirmation on that.

The question I have that flows from that in part, Minister, is that you mentioned you have met with the soft drink industry. We know the nature of the soft drink industry is cyclical in nature. Obviously, the peak period is the summer and I guess they get a little blip at the vacation season in mid-December and through the new year. But I guess part of the question is, when is the study due, and will the study take into account the annual cyclical nature of the industry?

Hon Mrs Grier: Oh, certainly. We've done extensive analysis of the industry. Cyclical: There's some of it but I'm not sure it is that cyclical. But yes, the study will be looking at all aspects of the industry to enable us to make some decisions and draw some conclusions from that. I think it's due—November?

Mr Castel: End of November and it will also examine various options.

Mr McClelland: I'd be happy to try and fill in from my knowledge, such as it is, recognizing that it's probably not as extensive as yours since you're involved in it much more deeply. The soft drink industry is certainly conducting its own studies in an area of the province of Ontario and wants to bring the results of those studies to you at the conclusion of those studies.

I suppose what I would like to know is, are you going to await your decision in terms of how you proceed pending the study and the market survey and the market analysis the soft drink industry wants to put forward, or are you going to make the decisions solely on the basis of the Price Waterhouse study?

Hon Mrs Grier: I can assure you we've had extensive studies from the soft drink industry. The one they presented and was widely publicized in the summer of 1991, their waste minimization action plan, was the subject of a three-day multistakeholder meeting that we pulled together to examine their work and look at how it would take us towards more refillables.

Since then, certainly some of the companies have constructed a study in Barrie about how they can increase the proportion of soft drink containers that come into the blue box. They announced during Waste Reduction Week just last month that they were now going to do another study to look at refillable containers and the proportion of refillable containers that perhaps could be collected through the blue box as opposed to going back to the suppliers.

There's ongoing work by the industry. They certainly share their information with us. I don't know the timing of their current study, but I think I can probably safely say to you that if we get the Price Waterhouse study back by the end of November, we're not likely to come up with a conclusion within a month.

Mr McClelland: I know this is not an opportunity for me to share my opinion or musings but rather to hear yours, but I'd be interested in your response. My understanding of the study that's being conducted is that it is one that is really, in effect, not only a study but a market test, if you will, of a container that is not only refillable but also recyclable—in other words, the best of both worlds—a container that is put in to recycle that is tagged, and there's a market survey, an actual confined geographic area market survey, that would test the consumer's willingness to buy a product in a container that had been recycled and refilled.

That, it seems to me, opens up an opportunity for the best of both worlds. I think it's important that the study be given very, very careful consideration. It's not just an extrapolation of numbers, it's actually a practical test of whether the product will meet and begin to solve the tension that exists between refillable and recyclable.

Quite frankly, I'm very concerned that the test at least be given the full hearing I think it deserves. I say this in all candour. I hope your mind isn't made up. I'll just tell it as it is. I think you and I enjoy a relation. I hope we can be candid about that. You've indicated you're prepared to listen to that, but I hope you'd really be careful, because it seems to me you did two things: You closed the door on a greater potential for giving the best of both worlds and, potentially, refillables for other products. From there, I launch into my second question. You may want to respond to—

Hon Mrs Grier: Let me respond to that. I think if I've demonstrated anything, I've demonstrated my recognition that there are no simple answers to this particular issue and that any information studies, data, examination tests, are grist to our mill as we try to wrestle with a conclusion that will be good for the environment as well as being good for the economy. Whatever studies are out there—and I'm sure the people in our waste reduction office are more familiar with the details than I am—we are only too anxious to see them and will take them into account before we come to conclusions.

Mr McClelland: It all ties in, Mr Chairman; I'll wrap this part of it with this question. Certainly the soft drink industry has been singled out in some respects, in terms of the refillables. What are we thinking of doing with other products, for refillable requirements in the province? In other words, if you were contemplating some sort of differential tax deposit system, would it be strictly in terms of the soft drink industry? Would you be looking across the board in terms of product? It seems to me that a container of fruit juice or a container of other consumer products creates the same problem as does a soft drink container. I'd be interested in your comments on that, Minister.

Hon Mrs Grier: I think some juice containers do, something like this. But the big difference with soft drinks is that they're essentially often bought just one at a time and consumed away from home. Therefore, the disposal of the container is sometimes different from something consumed mostly in-home or elsewhere.

Anyway, in looking at a solution to how we can move people towards more refillables than disposables, I was

fascinated just last week at the Recycling Council of Ontario conference to meet with a dairy in Ottawa. It's been selling milk in refillable containers for ever and hasn't ever changed, and there's a market for it, which confirms work done by the Recycling Council of Ontario that consumers want to buy their beverages in refillable containers. They can't buy carbonated beverages in a single serving in a refillable, but they can and are showing that they want to buy juice and milk, in at least the Ottawa area. That particular enterprise is looking at ways of using a refillable plastic bottle that is widely in use in Europe and in the US, which the soft drink companies here have chosen to ignore.

So there are all sorts of options out there that I don't think the industry here has taken advantage of. In designing a scheme, one of the considerations I have is, is that scheme applicable to a wider range of containers than merely the carbonated beverages that were covered by Mr Bradley's regulations 622 and 623? But I have not reached a conclusion with respect to that.

Mr Cousens: I wanted to ask some questions with regard to the Waste Management Act. On a statutory issue, why is the Ministry of the Environment responsible for the administration of the Waste Management Act, while the Interim Waste Authority reports to the office for the greater Toronto area?

1640

Hon Mrs Grier: I'm going to ask Bonnie Wein, who is the head of legal services in our ministry, to discuss that. Well, let me answer it. The act is an act of the Ministry of the Environment that deals with both a wide range of waste management issues and the creation of an authority within the greater Toronto area to deal with the waste of the greater Toronto area. So in the legislation that was known as the Waste Management Act, 1992, a provision was made that the Interim Waste Authority would report to the office for the greater Toronto area. I don't know of any legal reasons why that had to occur, but perhaps Ms Wein can respond on that aspect.

Ms Bonnie Wein: Bonnie Wein, the director of legal services. I think that's the correct answer. All of the attention has focused on the greater Toronto area because of the particular initial issues that have arisen there, but the act itself has a broader application and for that reason is properly within the responsibility of the Ministry of the Environment.

Mr Cousens: How are the duties and responsibilities related to the application and execution of the provisions of the Waste Management Act being delegated between the Ministry of the Environment and the office for the greater Toronto area?

Hon Mrs Grier: The responsibility for the Interim Waste Authority is with the office for the greater Toronto area. All other aspects of the Waste Management Act are the responsibility of the Ministry of the Environment.

Mr Cousens: Were there any regulations or any guidelines established within the Ministry of the Environment to define various responsibilities at that stage?

Hon Mrs Grier: There was a memorandum of understanding between the minister and the Interim Waste Authority, but with respect to regulations and the implementation of the Waste Management Act, those are the regulations for waste reduction that I think we've discussed on other occasions and which are in the process of being developed.

Mr Cousens: Can I get a copy of that memo of understanding?

Hon Mrs Grier: I think that was made available during the time of the debate on Bill 143. If you'd like another copy, I'm sure we can get it for you.

Mr Cousens: That would be great. Thank you very much.

When in estimates back in 1991, we had an opportunity to ask the minister a number of questions to do with criteria for the selection of a landfill site. On page E-174 I asked:

"What are some of the specific criteria that you are looking at for a selection?"

"Hon Mrs Grier: The environmental criteria? Well, as I say, the exclusion of class 1 to 3 agriculture, areas of natural scientific interest, areas of wetlands, a number of—I would be happy to provide you with those specific environmental criteria."

I was really interested in the fact that in your environmental criteria, you excluded class 1 to 3 agricultural lands, areas of natural interest and wetlands. Could the minister explain the differences between the criteria you had in estimates 1991 and the criteria now being used by the Interim Waste Authority?

Hon Mrs Grier: Mr Chair, I'd be happy to get into all of that, all of which I think we did at length under Bill 143. I don't have much of my background on that, because it's not part of the estimates before the committee today, as that's a function of the office for the greater Toronto area; we'll have an opportunity when its estimates presumably come before committee. But I'm more than happy to get into that debate subject to your ruling.

The Acting Chair (Mr Gary Carr): Mr Cousens, you had some comments?

Mr Cousens: The problem I have is the inconsistency of your establishment of strong criteria which—if you take just one of the examples, class 1 to 3 agricultural land would be a major criterion. Of the 57 sites, close to 50 of the sites selected by the Interim Waste Authority—your ministry developed the legislation—are class 1 to 3 agricultural land. How can we reconcile the difference between what was said then and what is being done now?

Hon Mrs Grier: Mr Chair, let me try to set the record straight on this. As I've tried to explain to Mr Cousens on a number of occasions, in August 1991 the Interim Waste Authority published its approach and criteria document for the environmental assessment. In that, steps 1, 2, 3, 4, all the way down to the identification of a site, were explained and laid out for the first time ever in a landfill site search.

In step 1, the preliminary screening, lands were screened out, and under the agricultural heading, areas of long-term agricultural importance, prime farm land and

areas in which speciality crops such as orchards and extensive field vegetables are grown, were screened out at step 1.

When they got to step 2, a second set of criteria was applied to screen out or remove even more land. With respect to agricultural land there, the agricultural land that was screened out was agricultural land with medium to high crop sales located within developed or developing urban areas. That was screened out as least suitable for a landfill site.

The criteria of agricultural land—biology, heritage, land use, social, transportation, all of these various criteria—are being examined by the Interim Waste Authority, and a balance between those various criteria is precisely part of the consultation ongoing now.

For example, in your own area last week, I was told by some people that landfill ought not to be close to a built-up area. I was told by other people that a landfill ought not to be on agricultural land. So the decisions with respect to how to balance those opposing points of view are what is now being discussed and where ultimately the Interim Waste Authority will make a decision, which will then be subject to the Environmental Assessment Board decision.

Mr Cousens: Having clearly defined strong environmental criteria and now, two years later, with many of those properties being considered for landfill sites fully complying with the criteria you did not want, is what causes me great concern. What you're really saying is that the criteria you talked about then were not really criteria; they were considerations. That basically is what we have now. We get caught into words. The expectations the public as a whole has is that the government is going to respect certain things such as prime agricultural farm land, yet in the actual consideration of IWA sites, it'll just be one of many things.

Hon Mrs Grier: As Mr Cousens well knows, 57 candidate sites are being examined, and in some cases, the community feels this is an important agricultural area that will continue in agricultural for ever. In its initial screening, the Interim Waste Authority in its examination felt that this was in fact not land that was going to remain agricultural and therefore met its criteria. That debate is ongoing.

As shortly the Interim Waste Authority announces its short list of sites and then moves to a preferred site, I think it is preferable not to speculate about the weight that will be given to those criteria until we see the results of the work currently being done.

Mr Cousens: I had a question on February 18, 1991. At that time, the Kirkland Lake proposal was still being considered. The minister stated: "As part of our work, we had asked Metro Toronto to continue to keep its options open, and as a result, it had renegotiated or re-signed its agreement with Kirkland Lake."

Furthermore, the minister stated in response to a question from us that, "The agreement that exists between Metropolitan Toronto and Kirkland Lake is still valid."

I would just like to ask the minister: Would you explain what happened between February and April 1991 to suddenly exclude Kirkland Lake from the options?

Hon Mrs Grier: I'm very glad to have an opportunity to explain this, because Mr Cousens made this point the first day, and when I went back and looked at the Hansard, I thought it was important to also show on the record that in response to that question, and as the Hansard continued, I said, on that particular date, 18 February 1991:

"I have neither confirmed nor rejected that"—ie, Kirkland Lake—"as one of the possible sites, but it will not be I who selects the sites. It will be the authority that is going to be put in place. What I am developing are a set of criteria that will be given to that authority in order to guide them in their search and in their site selection."

As I and the government developed those criteria, we enshrined those criteria and principles in Bill 143, which came before the House, was debated before the House and on which public hearings were held, and that legislation specified that in fact the Interim Waste Authority site selection area would be that of the greater Toronto area.

Mr Cousens: The minister did say, "The agreement that exists between Metropolitan Toronto and Kirkland Lake is still valid." What caused you to invalidate that agreement?

Hon Mrs Grier: I don't know whether it's valid at this point or not. That is, frankly, irrelevant to the decision.

Mr Cousens: What caused you, then, to legislate it out of consideration in Bill 143?

1650

Hon Mrs Grier: What I did was legislate out of consideration a province-wide search for landfill sites for the greater Toronto area. The reason for that is that I believe, as does my government, that any new landfill site should be selected under the Environmental Assessment Act.

The Environmental Assessment Act is a planning process by which you develop the criteria you consider important in the selection of a landfill, you apply those criteria and, by a process of elimination, you arrive at the best site within the area of search. If the area of search was to be the entire province, as Metro and York embarked upon and what led them to Kirkland Lake, then you would have to be doing what the Interim Waste Authority is now doing within the greater Toronto area on a province-wide basis and find the best possible sites in the province.

The Environmental Assessment Act does not allow you to say, "We happen to have an agreement with whatever township or private land owner and therefore we will do an environmental assessment of that site." That's not how the Environmental Assessment Act works.

Mr Cousens: Did you have any scientific data that caused you to exclude further consideration of the rail haul option?

Hon Mrs Grier: Rail haul is an option to any site. The issue is, within what area will the site be located?

Mr Cousens: Did you have any scientific data that caused you to exclude consideration of the rail haul option?

Hon Mrs Grier: I have not eliminated the rail haul option. I have eliminated a search for a site beyond the greater Toronto area.

Mr Cousens: I don't know how you're rotating questions, Mr Chairman. Do you keep time for what each of us is doing?

The Chair: You have six minutes left in this part of the rotation, Mr Cousens. If you're comfortable to move to another area, please do so.

Mr Gary Carr (Oakville South): Maybe I can jump in. Minister, the question I have relates to air emission standards. As you know, in my riding I've had correspondence—I think I had the pleasure of being the first person who contacted you the day you were sworn in, October 1, 1990.

Hon Mrs Grier: The first, but not the last.

Mr Carr: No, I was at the bottom, the first one in; I remember that.

You were kind enough to set up a meeting with some of the policy people about what you would be doing with the standards. We're still in a situation now where there is some concern in my community, particularly over the Petro-Canada facility. What is your plan with regard to the standards, and where are we at in terms of the process of looking at the standards in the province today?

Hon Mrs Grier: Do you mean over and above the discussion we had yesterday about the air management strategy?

Mr Carr: Yes, just basically in terms of dates that you're specifically looking at.

Hon Mrs Grier: I don't think I can give you a date with respect to the establishment of the revisions to regulation 308. As I said yesterday, a seminar and discussions about that are scheduled for early in the new year.

What we have done with respect to the particular problem in your own constituency is to try to work with the industry to see if in fact capture of fugitive emissions and improvements in their own system can occur to deal with that problem, which I'm not sure a revision to the regulation would in fact deal with. But I know that Jim Merritt or Gerry Ronan, who are here from the ministry, are familiar with the Petro-Canada, Oakville, situation and might want to respond to it.

My information, and Mr Merritt can add to it, is that Petro-Canada has developed an air abatement program which will deal with the actual reduction of odorous emissions, and it is expected that a thermal oxidizer will be in operation by May, 1993, which will reduce the emission of black smoke and odours from the flaring of gases.

Mr Carr: Any additional comments?

Mr Jim Merritt: Let me just add that the community has been very concerned for some years now about the odour problems.

Mr Carr: At least 10.

Mr Merritt: Our Oakville office has been very active and, I think, has attended a number of public meetings.

We have advised Petro-Canada that we are preparing an order for it, and I think there's been a public meeting recently on the essence of that order to hear what the reaction is and what the company's views are on that. Our intention is still to proceed with that order unless we hear

very soon from the company that it is prepared to take some other actions. But as of this date we haven't heard that response, so I believe that in the next few weeks or a month an order would be proceeding.

Mr Carr: I personally think that in many cases you do need to have an order, notwithstanding the fact that there have been a lot of meetings. It's been very frustrating.

The problem we've got with the situation, as you know, is that in a lot of technical ways they are meeting the present standards in spite of the fact of the odour. It happened to be out there not long ago next door to the park at a soccer game where the odour is absolutely terrible. The problem the community has is, it's saying the standards right now won't capture them.

I guess I'll ask this of the minister: In the new process with some of the air quality, will we be able to have standards that will capture a lot of the concerns that are coming out of particular refineries? The essence of this problem is the refinery problem.

Hon Mrs Grier: I'm not sure that I can respond, because we haven't reached the point of making some decisions about a revised regulation, but the proceeding by way of a control order on a specific industry is probably at this point the most effective way to go. That's why we're pursuing that. Maybe Mr Merritt can comment on the long term. I'll leave it up to him.

Mr Merritt: You've been involved in the meetings and are aware, I should tell everyone here, and Mr Ronan might have more information, that odours are a very difficult thing to regulate and set standards for. People's sense of an odour and the degree of objection are very different among people.

To try to place numbers on that and establish a level has been a difficult effort for us, but I know that our technicians have been trying to work with it. They've been in touch with people from other jurisdictions, and I think from the United States as well, to try to see if there are better numbers that you can put in a regulation to make this firmer and at the same time appreciate individual sensitivities. There are hypersensitivities that have to be looked at as well.

The Chair: If I might interrupt just for one moment and the committee will allow the Chair a small prerogative, by preamble, I simply wish to state that when I stand in my daughter's bedroom and look out her window, I am less than three quarters of a mile away from the smoke-stack. Okay?

I personally want to say that it's not just an odour problem, but in fact we know that this company is breaking the law and that this company at certain points is blowing off and burning off tonnes of this fluid. When we call, we do not get a very pleasant response from the ministry because it all happens in a matter of minutes, and when we get our neighbours organized to phone, eight or nine or 10 of us, you can see the jet turned off because of the Ministry of the Environment. That's a system that should not be occurring in this province.

It's not just the general release. We're talking about a company that's actively breaking the law, a company that

is waiting under the cover of darkness till midnight and blowing off tonnes and tonnes, and you know the processes involved here.

I'm sorry, but the Chair gets a modest opportunity. I want to tell you that—

Mr Cousens: You can use some of my time for that.

The Chair: I had to throw out my mailbox. It lasted two years. It has been eaten, and all the brass on my front door has been eaten. It's gone. All my neighbours have to get rid of them.

This is a serious problem. My children are breathing it. It's in their clothes. It's not simply odour, is what I'm trying to stress here. There's a process the company's following, and the Ministry of the Environment lacks the will to go in and monitor it to that degree. Yes, it responds; I'm not saying you're not doing your job. I've got lots of praise for the office that deals with this, but there's no secret in the community of what is going on at that site.

I'm sorry. I wanted to get that on the record, at least for my kids.

1700

Hon Mrs Grier: I'd sure like to have it on the record. If you're aware that the company is breaking the law, then I think we need to know precisely what that information is, so that we can investigate whether in fact charges should be laid.

The Chair: Your ministry knows. You don't, Minister, but your ministry has been told.

Hon Mrs Grier: Have we incidents of infractions that we have followed up on?

Mr Merritt: We have had a large number of complaints. Many of them are followed up on legal bases, and we go through our legal process of having the enforcement branch investigate to see if a charge is available. Some of them are difficult.

We certainly are not looking to avoid this problem. I think it's of great concern to us. That one incident consumes a large portion of our staff time. If we could bring it to the ground, it would certainly free us up to deal with a large number of other problems in the area. It's in our interest, as well.

One difficulty we do deal with though, and that is with blackened smoke emissions. At the startup period—and this may have been explained in the public meetings, as I think it was—for a few minutes of starting up and converting processes, under the current rules and regulations, this is allowed, but it's not allowed to continue for very long.

The Chair: Even the community's aware of what you just shared with us, but for half an hour, that's when we start screaming and start phoning, and we organize a neighbourhood plan to call, to put pressure on the ministry, then the ministry calls. They simply are turning the jets on and, when the phones don't ring, they keep it open. As soon as the phones start ringing off the hook, then they turn it off. That works in Kuwait, but it shouldn't be the standard in Ontario.

Hon Mrs Grier: Is that not what the oxidizer is designed to prevent from happening for any extended period?

Mr Merritt: That should help part of that process, and that would decommission one of those stacks, I believe.

The Chair: Please proceed, Mr Ronan.

Mr Gerry Ronan: I was just going to explain a little further the complexity of the odour problem, and I believe it relates to total reduced sulphur. The extraordinary thing about this kind of rotten-egg smell that you perhaps are familiar with is that the human nose has a tremendous capability of detecting low levels, even lower than any of the instrumentation we have. We pick up at the parts per billion, well below the standard. Consequently, it triggers an immediate reaction.

We looked at the standard and we looked at all the other sectors in Ontario, and this is complicated in that many of the northern towns have this sulphur smell and the populace welcome it. They think it's an indicator of a healthy economy, and they've just got used to it. I'm not trying to justify it.

The Chair: Mr Ronan, please: This is not a pitch for the chamber of commerce of Sudbury. Please answer the question as it relates to Mr Carr's riding.

Mr Ronan: The point is, if you went the regulatory route, it would impact on a lot of sectors across the province, and it's linked to land use. If some communities do not have builtup communities adjacent to them, there's absolutely no requirement to have a much more rigorous standard. Based on health and impact, you cannot get any kind of threshold effect that would give you a health justification for ratcheting down.

The control order approach that was first touted here, site-specific, having that as your means of trying to enforce and make a company go after all these fugitive emissions, and also to have good practices and also good community liaison, all those things, I think, are the most effective ways of addressing the problem, because the larger question was asked, are we looking at the standards, and we have looked very carefully at this particular issue of the total reduced sulphides.

Mr Carr: We won't be changing the standards for the refineries?

Mr Ronan: We are looking as part of the whole review of regulation 308. That's one of the standards we will be developing a strategy for, and it is on the table to attempt to ratchet it down.

Hon Mrs Grier: I think what Mr Ronan is suggesting is that where that might emerge, it's not likely to resolve the issues in an area where there is a residential area in such close proximity to a plant as exists in Oakville.

Mr Carr: Just one quick one to finish up, then. What I'm hearing, just so we can be clear, is that even the standards that you're looking at probably won't affect it, and that probably the only way it will get rid of the smell is if that company doesn't produce there.

Hon Mrs Grier: Sorry, I didn't hear that.

Mr Carr: If that company isn't there producing their product.

Hon Mrs Grier: No. I think what I was attempting to suggest was that a change in the regulation, which would have to apply province-wide, might not resolve your issue, which is why the approach the ministry has taken is to work to develop a control order for that specific plant.

Generally, I don't favour the control order approach. I'd rather have a standard that was province-wide, and I think industry would prefer to have that, but this is a particular problem. It has certainly been a problem for a very long time and failure to work to get it to a level that the community will accept is not good enough, so a control order is the way to do it.

Mr Carr: Thank you.

The Chair: Actually, we were a little bit over. I'll adjust the time accordingly. Please proceed if you wish. Mr Cousens—with his support?

Interjection.

Mr Cousens: Go right ahead.

Mr Carr: Just one short one again with regard to the process with the draft orders and the circumstances. What I would like to do is be able to say to the community—as has been mentioned, it's been going on at least 10 years. The question I get is that they're very frustrated, not with the individuals, because Bob Adcock has worked long and hard on this and has been at all the meetings and has been a saint through this whole process, but the problem is there's a tremendous amount of frustration out there. What I think I'm hearing is that even if you changed the standards, we're not going to be able to affect this particular plant because of the unusual circumstances with regard to refineries. That, to me, means that there probably won't be a solution even if the standards are changed.

Hon Mrs Grier: No, I think what I said was that the way to attack this problem is through a control order, not by changing the standards, and that, as Mr Merritt has said, is the approach we're taking.

Mr Carr: Just one last quick question regarding the control order: If we do it and we implement this plan—and it's probably not fair to ask you, but I don't know if anybody else knows the answer—is there a date we would be looking at where we can say we think we will have this problem solved?

Hon Mrs Grier: Can I ask Mr Merritt for the timing on the control order?

Mr Merritt: I don't have the specific times.

The first phase of the control order, of course, is to require that the company come forward with the specific plans. It is very difficult for us as a ministry, and perhaps a little bit dangerous for us, to tell them technically exactly how to do it. It tends to let them off the hook. The route we take is a phased control order.

The first phase is they have to come to us within so many days—and we're prepared to be very strict on this because they've known the terms of the control order—to tell us exactly what they are going to do, to put in place. They bring that to us. Then we put the time lines on them

to do the civil work, the engineering work in place, to make those changes. Depending on how extensive they are and what has to be done in the ground, the time would be set according to that.

The Chair: When is that actual date that your control order says they must respond to you by?

Mr Merritt: I don't have a copy of the draft control order.

The Chair: Will you share that with Mr Carr, a complete copy of that and send one to me as well?

Mr Merritt: We've circulated the draft control order, I think, to the community.

Mr Carr: In terms of the cost that the company would spend, that would be included as well, details of what they will spend?

Mr Merritt: They would bring us those numbers. I'm sure they'd be the first people to tell us what they think this is going to cost them.

Mr Carr: Yes, because the big question as I see it is that I actually truly believe a lot of the problems could be fixed. It is a tremendous amount of investment, and I personally believe that the company doesn't want to spend the money and is going through a lot of these processes. That's why I'm hoping that if we have dates and we have amounts being spent, the community will then say that there is a commitment. To this point there's been a lot of discussion but no actual money spent. Until the money is spent, I think the community is very sceptical that the company is really trying to work to improve it.

The Chair: Mr Merritt, can I ask you a further question, please? What is your position in terms of extending the time in phase one, the response time? What is your position? What's your policy if a company notifies you three days from the expiry of their phase 1 that: "I'm sorry. We're not ready. We need another month"? How do you deal with that?

Mr Merritt: We really are not in the habit of extending those time frames.

1710

The Chair: This happens seldom, if ever? Frequently, infrequently, never?

Mr Merritt: Not very frequently and, as I said, in this case, because the company has been very aware of the problems and knows the terms in the draft material, I don't see any particular reason, unless it is completely impossible for it to become part of it and it would have to demonstrate that. At this point in time, I don't see any reason why there would be an extension.

Hon Mrs Grier: In response to Mr Carr's comments about the investment required, I will just make the point that what we're talking about here is an odour problem. These companies have in fact made a major investment in trying to deal with problems that have a direct deleterious effect on the environment. Further investment to deal with what is an odour problem is something that I think they are concerned about and have to consider carefully so that, of course, for them will be part of the consideration, but it's

important that the record show that this is not a problem that has immediate and adverse effects on the environment, and there are varying degrees, as we've talked about, of sensitivity to this particular problem.

That doesn't diminish the community's concern or the need to address it, but I think it would be unfair to imply that the companies had not made some attempt to deal with problems that have been brought to their attention.

Mr Carr: With investment, you're talking about the water quality now through MISA? There was a tremendous amount of money being spent—I believe in the neighbourhood of \$10 million—but that related to the water problem. You're saying that there has been a lot of capital spent regarding the air as well?

Hon Mrs Grier: My understanding is that with respect to major environmental problems—toxicity, persistent biochemical substances and, you're right, MISA—there's been a major investment by these companies in dealing with those serious problems first. We're now down to what is an odour problem and I know for them that the further investment is a problem. I suspect that will be their response to the draft control order and that's something we will then have to deal with and discuss with them.

The Chair: I'm in Mr Cousens's hands.

Mr Cousens: Do I have further questions now? I am interested in the Ontario water services secretariat and I have a number of questions on that. What is its official status at this time?

Hon Mrs Grier: In response to your question yesterday, we indicated that funding for the water services secretariat is in the budget of the Ministry of Municipal Affairs. But I'm happy to be able to say to you, Mr Cousens, that certainly in any discussions about the future of that secretariat, my ministry has been fully involved. At this time, its status is that it is a secretariat within the Ministry of Municipal Affairs.

Mr Cousens: Was there any announcement made of that? I don't recall seeing any kind of announcement or public release that indicated it had gone to Municipal Affairs.

Hon Mrs Grier: It was in Municipal Affairs when I became the minister so there's been no change in its status.

Mr Cousens: When did that happen?

Hon Mrs Grier: It was in our phone book when I first became minister, but the funding was always in Municipal Affairs.

Mr Castel: The secretariat was established by the previous government.

Mr Cousens: It was in Municipal Affairs at that time?

Mr Castel: It was in Municipal Affairs.

Mr Cousens: I think it would be better to take that through Municipal Affairs, the questions I had on that, so I'll come back to the waste management discussion papers, if I may, a series of waste management planning and waste management powers, papers released by the ministry. Specifically, the paper on waste management powers mentions new legislation on waste management

powers, scheduled once the consultations are complete. Madam Minister, when would you expect to see the new legislation?

Hon Mrs Grier: As soon as possible and that too is legislation that will be an amendment to the Municipal Act and that is currently a project of the Ministry of Municipal Affairs. We are working closely through our waste reduction office with Municipal Affairs and it is certainly my desire to be able to introduce that legislation before the end of this session.

Mr Cousens: I understand there are a number of papers being drafted on waste management financing and marketing strategies for recyclable material. With respect to that, could the minister provide us with a possible date for the release of that paper?

Hon Mrs Grier: That is one in the series of initiative papers we have been using as consultation documents since the passage of the Waste Management Act: the one for Municipal Affairs on powers, the one for us with respect to waste reduction, and Mr Blackwell, I'm sure, can remind me of the others and their contents.

The one with respect to finance has been a complicated one to prepare, and it was, I think, to be Initiatives Paper No 5. Our expectation at this point is that we will have that ready in the first half of 1993, not before then.

Mr Cousens: The problem you have is that certainly municipalities are looking for that to tie the information within that with the other considerations from the other papers and—

Hon Mrs Grier: Let me be very clear, though, that these discussions about changes in regulations and new approaches have not precluded the ongoing work of the waste reduction office in beginning to address some of the financing problems with municipalities in looking at the development of markets, and in looking at how we can use our funding to encourage new industries and new uses of materials. All of that is ongoing and has been very successful.

The question of powers and finance, you're quite right, was raised in the response to the discussion paper on powers. Many in the private sector particularly, which is worried about whatever conclusion might emerge from the discussions on what's known as flow control, as well as the municipalities, said that it was difficult to divorce the question of who's responsible from who pays. So I think what you will see in the finance papers is certainly recognition of that, and in the amendments that come forward not all of the issues that were addressed in the MMA paper on powers will be addressed in the first stage of legislation to deal with those.

Mr Cousens: I have something, if you could just pass that to the minister. What I'd like to get, and I realize it falls under this general area and is difficult to receive right now, is a list of all municipalities whose landfills sites are scheduled to close within the next year, at least during the remainder of 1992 and all of 1993 and the next three years—

Hon Mrs Grier: Mr Cousens, my mouth is falling open because I have—

The Chair: Minister, could you please allow the member to put his question on the record and then you can interrupt—

Hon Mrs Grier: Before I open my mouth?

The Chair: Before you interrupt him, yes, please.

Hon Mrs Grier: I understand, sorry.

Mr Cousens: The next three years, from 1994 to 1995, and the next five years so that it takes it right through. I'd be interested in what's going to fall out of your mouth.

Hon Mrs Grier: What's going to fall out of my mouth is amazement because we have almost a dedicated staff at the ministry dedicated to answering your Order and Notices questions. I sign them and get them back to you as quickly as we can. I remember at least two inches of computer printouts and lists on all landfill sites, when they closed, what their expectation dates were, what their capacities are. If you have any idea of the resources that are devoted to answering these questions, and then to be asked to do it again, is why my mouth fell open.

Mr Cousens: Everything that you've given me then is current? There are no changes in that?

Hon Mrs Grier: I don't know what date we did the last one, but—

Mr Castel: It was quite recently.

Hon Mrs Grier: —it was quite recent.

Mr Cousens: So we're up to date? If you could be so kind as to just check to see if there's any information to update that, that would be the kind of information I would need.

Hon Mrs Grier: I see some of your staff shaking their heads, which indicates they haven't received that. Perhaps somebody would like to correct what I've said.

Mr Cousens: I'm just assuming that what you've said I've received, I've received. If I haven't received it, I know the spirit of staff will be such that they'll provide it to us.

Hon Mrs Grier: We will check.

The Chair: At this point, Mr Cousens, it is a request to the committee and therefore this material, now that it's been requested through this committee—the process here is that a copy be given to the clerk and those members of the committee who wish to have it will have it, and that will then include Mr McClelland. I think it is helpful that we get a copy of that, which the minister believes is the response she's given already to it, and at that point you can determine if it's insufficient.

The record will show the complete nature of your question, and therefore the ministry will add to it any information that may be deficient from that which she believes is the answer she's already given. But it has to go through the clerk, and it will be distributed. Please proceed.

Mr Cousens: The regulations for waste reduction as legislated through Bill 143: A recent press clipping from the Kingston Whig-Standard quotes a ministry official as stating, "The regulations will be published no later than the end of January 1993." Is that a fairly accurate time?

1720

Hon Mrs Grier: I think it was a quote from me when I visited the Kingston Area Recycling Corp, an incredibly interesting community initiative in Kingston. I'd be glad to talk about that. I said we were hoping to phase them in, and I would hope we would have the first one before the end of 1992 and the others shortly into the new year. But I could perhaps ask Mr Blackwell to confirm that timing.

Mr Drew Blackwell: Yes, I believe that timing is accurate.

Mr Cousens: The article also notes that businesses and institutions will have six months to prepare waste audits and one year to prepare a waste separation program. Is that generally what you expect?

Hon Mrs Grier: Perhaps Mr Blackwell can describe what happens next.

Mr Cousens: I guess what I'm interested in is, are businesses going to have enough time to make the necessary adjustments to react to the kind of time frames that you may be imposing?

Mr Blackwell: We believe so.

Mr Cousens: What are the time frames you expect to impose?

Mr Blackwell: The exact time frames will be contained within the regulations. They do not differ considerably from what was proposed in the initiatives paper.

Of course, because of the delay in the passage of Bill 143 from what was anticipated at the time the initiatives paper first went out, the dates are different. The dates will run from the date at which the regulations are gazetted, but they will be approximately the same. There will be some adjustments in some of the areas because of comments received from particular industry sectors suggesting that they need more, or in some cases, our estimate, that they don't need quite as much time.

Mr Cousens: I think the worry some of us have is that there are some industries that have done a tremendous amount of work to date, and it would be important that, in any new mechanisms or regulations, you have taken into consideration those who have been pioneers in making this a better world environmentally.

Hon Mrs Grier: We're very conscious of that. I was delighted to find that many industries, once I announced the waste reduction action plan in February 1991, immediately began to respond and say: "Look, we're already doing that. How can we do it better?"

Seven out of 10, I think we're now saying, office buildings in Metro have waste separation and reduction programs, and one of them, Bell, has had a great deal of publicity for its reduction of 97%. What we're trying to do in developing the regulations is build on the voluntary efforts that have gone on. Certainly it is not the intention to require those people who've complied so well to have a more onerous position imposed upon them.

Mr Cousens: The fact that I'm getting people calling about that would indicate that the level of confidence in what the minister's going to do has to be responded to in the kind of way in which this is brought in.

Hon Mrs Grier: Can I just make the other point? It's very important, I believe, that these audits and the submission of plans be made as simple and as straightforward as possible to the industries. I have been concerned to discover that a number of industries that called me have been approached by consultants saying, "For this amount of money, we will help you prepare for this regulation." It's certainly my hope that the regulations will be simple and clear and not create a new industry for consultants.

The Chair: Mr McClelland, you have about 25 minutes in this segment.

Mr Cousens: How much do I have left over?

Mr McClelland: Ten? Twenty-five and 10. Minister, I'm interested in knowing, and perhaps we could have some help here, any increase in allocations projected for the coming year for cleanup of the Toronto beaches.

Hon Mrs Grier: I'd like Mr Castel to respond to that.

Mr Castel: The budgets of the coming year have not been finalized. We're in the process of working on it, and we will have more information on this possibly by the end of December or early January.

Mr McClelland: Minister, I wonder if you could perhaps share with myself and my colleagues your strategy, if you will, and your ideas of how you would like to proceed with respect to the Toronto beaches cleanup.

Hon Mrs Grier: The Toronto beaches are one of a series of areas where remedial action plans are being prepared under the direction of the International Joint Commission. We see the cleanup of beaches across the province as being very important.

In Toronto, the municipality has taken a number of significant steps, with the help of the ministry and the conservation authority and the regeneration trust and all the entities involved, to proceed through a number of points of view, whether it be rehabilitation and expansion of the sewage treatment plants, which of course is a major capital investment and something Metropolitan Toronto is responsible for and is looking at, or the construction of detention tanks, one of which I think is now in place in the eastern beaches and two more are being contemplated, which hold back storm water.

Our ministry, under Jim Bradley and certainly continued by us, has funded extensive work for the separation of storm sewers, and there are also a number of projects that residents, community groups, have initiated with respect to the headwaters of a number of the watersheds. I am delighted to find that the public advisory committee of the remedial action plan, which is really citizen-led, is building on the work done by the Save the Rouge Valley System group or the bring back the Don group or, I can't remember, ARCH in the Humber, to work along the entire watersheds, because the beaches are not going to be cleaned up merely by things that happen on the Toronto watershed, as the Crombie royal commission demonstrated so clearly and evocatively. You've got to look at the entire watershed.

There's not just one reason why the beaches are not swimmable, there are a whole lot of reasons, and something as simple as regenerating by the planting of cattails,

which had the federal government, Natural Resources, myself and the conservation authority in Metro all at an event last week, contributes to the cleanup of the area and the reopening of the beaches.

On a number of different fronts, we are tackling this problem, and the weather has contributed to the beaches being open this year more often than in other years. That's not a solution I look to in the long term, but I also think we found that in some cases the counts were down to what they'd been in other years.

Mr McClelland: Do you have any benchmark or sort of a target goal that you would use as a measure, perhaps the number of days open before a certain count? Do you work at all on a formula or a combination of formulae to try and arrive at—and I know it's almost trying to hit a moving target, if you will, because the target is forever shifting, but is there a sense of some tangible measurement?

Hon Mrs Grier: No. I'm not sure you can say that having the beaches open X days as opposed to Y days is in fact a meaningful benchmark. I know that certainly attention is focused on the beaches, because in the summer that's what people want to do and to enjoy for recreation. Certainly it's always been a desirable objective. But when I look at water quality issues, especially in times when you have to be very careful about how you expend your priorities, I look at the quality issues in a ranking and at the toxicity issues in trying to deal with cutting down on, not the elements that go into the determination of whether or not a beach is open, the E coli and the odour and the bacteria elements, important though those are. What has always frightened me about the prospect of swimming in the lake are the elements you can't smell and don't know about, which are the persistent bioaccumulative toxics, which is why our emphasis on pollution prevention, municipal-industrial strategy for abatement bans and phase-outs I think are less visible and may not result in beaches being open, because the beaches are measured on different criteria. So to say the beaches are open doesn't mean you've really attacked the toxicity problems.

Mr McClelland: On three specific remedial action plans, I wonder if you might have the information available or if your staff could provide it. I wonder if we have a breakdown of funding that will be available, or even a ballpark for the remedial action programs in Thunder Bay, the Bay of Quinte and Hamilton Harbour specifically. Is that information readily available?

Hon Mrs Grier: Are both of those at stage 2?

Mr Castel: It's not readily available, because there are a number of sources that provide funds for RAPs. For example, under the remedial action plans, the water and sewer construction budget can assist. If there's no sewer funding, we'll move into the water resources activity. Eventually we are hoping we can also get funding from other sources, such as municipal contributions as well as federal. I can't provide you with exactly how much money is being spent on these particular RAPs, but we perhaps can give you an estimate in due course.

1730

Mr McClelland: Okay. Is it an incorrect presumption, or is there a chance that there will be comparable support from the Ministry of the Environment as there has been in the past for the continuation of those and other RAP projects?

Hon Mrs Grier: Let me answer that unequivocally with yes. But I think you also have to recognize that the support that has been available through remedial action plans up to now has essentially been in the phase 1 and in the planning process. We're now moving with the remedial action plans into the action plans, and that's an entirely different scale of funding, because you're looking at capital investment, you're looking at sediment removal, you're looking at the point sources as opposed to a policy that may look at the non-point sources and the agricultural runoff and all that. How we fund that is a very major concern, and I'm sure it's no surprise to this committee to say that I don't have the resources available to assure anybody that this year or next year we can complete any particular RAP.

For example, in Collingwood, which is a relatively contained RAP but with long-standing problems, both the federal Minister of the Environment and I were there this summer and that community is moving towards, it is hoped, delisting as an area of concern. Funding has come from a variety of granting sources and they've been very creative in finding funding from Natural Resources, the Ontario Association of Anglers and Hunters, voluntary components and the shipyards to do it.

In Hamilton, again, a lot of money has already gone in, and whether it was specifically attributed to the RAP or funding that was done to deal with acquisition and cleanup of a long-standing problem, it doesn't all come under the rubric.

I think what is critical is the current negotiations that are under way between our ministry and Environment Canada with respect to the Canada-Ontario agreement, which is the mechanism whereby the Great Lakes water quality agreement is implemented. To me, what is critical about that is that I see that agreement as being the vehicle whereby we can establish clearly what is federal and what is provincial responsibility, because the Great Lakes and the International Joint Commission and the whole instigation of RAPs was a commitment made by the federal government.

At this point, while there has been federal funding for part of the planning and there have been some allocations to specific projects, we don't have a formula for the timetable by which we can complete the work that is beginning to be identified. So I'll be in a better position to answer your question when we have completed negotiations with our counterparts in Environment Canada.

Mr McClelland: I think it's implicit in your answer that you're moving well beyond just the funding aspect of it; certainly some more comprehensive changes, if you will, in the program in terms of management of the program.

Hon Mrs Grier: As I said, it's not just one easy solution. It's taken a long time and there have been a lot of reasons why our water quality is degraded and you can't swim, fish or drink off many of our lakes and rivers. If that

problem is to be corrected, it's not just a solution that lies within the responsibilities of the Ministry of the Environment, and I'm particularly pleased that our government has recognized that and made an explicit commitment to being a green government, which means that whether it's Municipal Affairs in land use planning, whether it's Agriculture and Food working with its constituency, whether it's Natural Resources or whether it's the Ministry of the Environment, we have a consistent approach to trying to prevent further degradation and use whatever resources we have cooperatively to deal with the problems that exist.

Mr McClelland: Again, just to the degree that you have the information available, how many RAPs have reached stage 1 at the present time? Do you know offhand, or have a rough idea?

Hon Mrs Grier: That was on one of the notes I saw. We had 17 RAPs. Can I ask Mr Ronan, how many are at stage 1? Some have submitted their stage 2s. I think five are at the stage 2 level.

Mr McClelland: I just want to get a sense of how many irons we have in the fire, so to speak, just roughly.

Mr Ronan: I think all of the stage 1s are completed and we anticipate during the coming year, 1993, that most of the stage 2, except for the international waters, where we're dealing with Ontario and neighbouring states—we have a longer deadline in terms of the complexity of the issue and having two different jurisdictions trying to arrive at a rationale and a plan or definition of how the cleanup is going to proceed. But they are progressing fairly expeditiously and we anticipate that during 1993 we're going to be dealing with some of the issues in terms of the remediation action plans and how they can be financed and how all the different players can make a contribution to a very substantive cleanup bill.

Mr McClelland: There was something that was readily—

Hon Mrs Grier: I can give a specific because I've got it here.

Mr McClelland: Thank you.

Hon Mrs Grier: Four draft stage 2 wraps are expected to be completed in 1992; that's Hamilton Harbour, Quinte, Severn Sound and Collingwood harbour, which was the first one submitted I think on August 29, 1992. The remainder, with the exception, as Mr Ronan says, of the binational ones, are expected in 1993-94.

Mr McClelland: If there's more to add in terms of a brief summary of all of the programs, if it's not too onerous just to do a quick sheet, an inventory of them, that would be appreciated, if we're not asking too much.

Hon Mrs Grier: We have that and we can give you that.

Mr McClelland: Thank you very much. I appreciate that.

Madam Minister, the area of tire recycling—I know we don't have a whole lot of time left—I wonder again if we could just touch on some perhaps—I'm not sure of what value it is, but just to get a sense of what we have, how many tire storage sites are we currently aware of in the

province of Ontario? I say that advisedly, understanding there very well may be many that we're not aware of.

Hon Mrs Grier: As I suspect everybody who has been around this issue is aware, there are about 10 million to 12 million passenger tire equivalents generated in the province every year. There are currently, I'm told, fewer than two million tires in storage in the province.

Mr McClelland: Over how many sites?

Hon Mrs Grier: How many sites there are I'm not sure I know because the definition of large sites and small sites has changed and we are, as we speak, nearly at the end of cleanup on the second major one, the P&L Tire one in Hamilton. So how many sites there are, I can't answer, but I can get you that figure.

Mr McClelland: Would a list of those and their locations be available?

Hon Mrs Grier: Yes, I know it would.

Mr McClelland: Thanks. Of those sites, do you know offhand how many would currently be in compliance or, I guess the converse, out of compliance with EPA amendments and the fire code?

Hon Mrs Grier: It's my understanding—and I don't know whether there's anyone here at this point, because I let some people go home; perhaps Jim Merritt can answer that—that we were in compliance with most of them at this point.

Mr Merritt: Unfortunately, we don't have the detailed information, but from my memory I believe there are now one or two sites that remain as a problem, that are out of compliance, that we still are maintaining a watch on and have outstanding orders against. I think all the rest have come into compliance now.

Mr McClelland: Any further action, Mr Merritt, other than the orders that have been issued? Are you taking further action with respect to those sites that are out of compliance?

Mr Merritt: The orders become the action and P&L I guess is the best example, if the failure to respond to those orders means that the ministry takes even stronger action. But at this time we're quite confident that the remaining sites will be managed within those orders.

Hon Mrs Grier: In the case of P&L, they refused to comply with the orders and clean up, so the ministry moved in and initiated the cleanup and that is now currently almost completed. That, I think, was the next largest site, was it not, after Hagersville?

Mr Merritt: That's correct. We had a large number of sites out of compliance—largely out of compliance because we brought in a whole new set of regulations, not to imply that these people went out of their way to be out of compliance. So there's been tremendous activity in the last year and a half, two years, to bring that about.

1740

Mr McClelland: We may be moving with this question a little out of your area, and forgive me if we are. I'm wondering if you have a sense of what's happening with enforcement and investigation—I'll put that back to you

and the minister to direct, as is appropriate—with respect to the illegal tire storage sites around. Are we fighting that fight with any sense of effectiveness? Is there a sense of whistle-blowers out there who are letting us know where they are and what happens when we find those illegal sites?

Mr Merritt: Yes, it's very hard to hide a large pile of tires. The legislation right now says that anything over 5,000 tires has to fall under the requirements of both our regulations and the fire marshal's regulations. We are seeing some reports that we do follow up on and go through a prosecution route, but there are not that many at this time of that size. Smaller sites are not coming to our attention.

Mr McClelland: Okay.

Hon Mrs Grier: Can I just add a good-news note, though, to the tire story? We are finding that the funding we've invested in developing new uses for old tires is really paying off and I met last week with representatives from a state in northern Italy.

We have a company here in Ontario that has developed a technology that has been marketed around the world. Another company has developed a collar that goes around manholes in the road so that a municipality, every time it repairs the manhole, doesn't have to dig out the asphalt. When they install them they put this collar around it. It was a technology, an idea, developed here in Ontario. We've given it help with funding from the tire fund. If you think how many manhole covers there are around the world, you realize that the market is unlimited.

People say to me, "Why don't you allow tires to be burned?" The fact that we did not allow incineration of tires and put some of the resources from the tire tax into funding new technologies is part of green industries and the spinoffs we see from the 3Rs, and there are some really very exciting projects that have developed as a result that are going to be good for all of us.

Mr McClelland: Good. I've heard of this number and it escapes me—you may have the information to your immediate left. How much money are we putting into the tire recycling program?

Hon Mrs Grier: I think we put about \$9 million to date on tire initiatives and I think our spending—

Mr McClelland: I'm sorry, could you quantify that in terms of annually, when you say "to date"—a time frame?

Mr Castel: The budget for tires is \$16 million annually.

Mr McClelland: Sixteen million, okay.

The Chair: That's the revenue.

Mr Castel: No, that's the budget of the Ministry of the Environment, not the revenue.

The Chair: Okay, all right.

Mr McClelland: What is the revenue?

Mr Castel: I believe it's approximately—and I'm just doing it from memory. This is something the Ministry of Revenue keeps. It's roughly \$35 million.

Mr McClelland: Thank you.

Hon Mrs Grier: Unfortunately, Mr Nixon insisted it go into the consolidated revenue fund, but we get \$16 million a year and we spend that.

Mr McClelland: See if you can get Mr Laughren to change.

The Chair: And you objected to it quite a bit, I know.

Hon Mrs Grier: Absolutely, and my Treasurer hasn't been any different from Mr Nixon in his desire to hold on to that revenue.

The Chair: Well, he's not a green Treasurer.

Mr McClelland: It will be interesting to see the first Treasurer, whoever she or he is, who may allow us to envelope money, so to speak.

How many grants and loans has the ministry approved since October 1, 1990, basically since you came into government, Madam Minister—grants and loans for tire recycling projects, technological initiatives dealing with this matter?

Hon Mrs Grier: I don't think I can answer today, I'm afraid, the exact number of loans, but we can certainly find that. Since when? October 1, 1990?

Mr McClelland: I'm just thinking since the government came into power, if you have the sense of how many different projects have been funded.

Hon Mrs Grier: What happens is that a project often takes a very long time to come to fruition. People make a submission, we look at it, we go back into the debate and all the rest of it, including—

Mr McClelland: So it could have started years ago and come to fruition over the course of time, obviously.

Hon Mrs Grier: Exactly. We're currently supporting more than 20 tire-recycling projects. Spending on tire-recycling projects, not including rubberized asphalt, is expected to be about \$8.5 million in 1992-93.

Mr McClelland: I can only hope the answer will be an affirmative, but I put it to you because I have a concern, again, that projects that are funded or loans given are done so not—there's an attempt, at least, made to ensure that it's not being done in competition to those enterprises putting their own money into the project—in other words, direct competition. Let me use something, if I can, to—

Hon Mrs Grier: Can you be specific?

Mr McClelland: Yes, I will. I'll try to use something analogous. It doesn't happen to be in tire recycling but in the area of asphalt shingle recycling. I'm aware of a company—and I'm sure they wouldn't mind being identified: IKO Industries and it happens to be in Brampton, Ontario; I'm sure that wouldn't surprise you—that has put in literally thousands upon thousands of dollars to work developing technologies to recycle shingle. Just two years ago, we were putting 13 tonnes of shingling into landfill. Now we recycle them and use them for, among other things, asphalt for paving of roads, and doing that quite successfully.

At the same time a company applied for a grant and received—again, these are my figures; I'll have to confirm them; I don't have them in front of me, for which I apologize—in the order of \$250,000, in Oakville, Ontario, to effectively look for technology that would compete with IKO when the job was already being done. That company has gone into receivership. The receiver now calls IKO

and says, "We don't know of anybody who could use the"—what's the word I'm looking for?

Hon Mrs Grier: The products.

Mr McClelland: Not the products, but the "tools of the trade in our facility. Will you buy from us for X number of cents on the dollar?" I use that only as illustrative, simply to say that where something is being done I have a problem with the government effectively competing and putting money into it. I mean, the program failed when it was being done all along anyway. Those are the concerns I have with tire recycling as well.

Hon Mrs Grier: I certainly share your concern in that particular case. I'm not familiar with the details. Part of the difficulty with many of the projects that come to us for applications for funding or for loans, either through us or through MITT, is that people have very good ideas, people have a great idea for a technology. They may not have a business plan that we believe is going to be viable. We're often criticized for not giving our grants more readily, but we do try to ascertain the viability of a scheme which, I suspect, would involve also looking at what other industries are in business and with which they would be competing, but I don't know whether either Mr Merritt or Mr Blackwell can add to that from some specifics.

Mr McClelland: Let me just leave it—I think we're basically on the verge of running out of time—and just simply flag it as a concern.

Hon Mrs Grier: I think it's one with which I would agree. I'm sure it's part of our consideration of grant, but perhaps Drew could just give a sentence on what we do look at.

Mr Blackwell: Very quickly, I would just mention that we are now working through a new instrument we call material utilization strategy teams, trying to gather together all the people in the given sector. We're working very closely with MITT so that the business plan evaluation can be done via MITT and, as the case may be, with the Ontario Development Corp, so that the government, in its various sectors, has a look at the whole industry sector. This is a new development and we're working into it.

Mr Cousens: How much has been raised in taxes through the tire tax all together?

Hon Mrs Grier: Oh, I think we said \$30 million to \$35 million a year into the consolidated revenue fund.

Mr Cousens: The total dollars that have been raised would be how much, the total since it came into effect?

Hon Mrs Grier: It came in in June 1989. So you're looking at \$30 million to \$35 million a year.

Mr Cousens: Of that, how much has gone out in grants, total?

Hon Mrs Grier: The portion of our budget that is allocated to the Ministry of the Environment is \$16 million a year. Some of that would go into cleanup. Some of it would initially go into providing security, though I don't think we're doing that any more; and then, as I said, we've committed about \$9 million to date this year on tire initiatives.

Mr Cousens: Biomedical waste: I understand there's a 60-day consultation period following the release of a joint

discussion paper between the ministries of Health and Environment on the management of biomedical waste. What has happened since the completion of that consultation period?

Hon Mrs Grier: The consultation period has, as you say, expired. We were asked to extend it, and it was extended for another 30 days, to the end of August 1992, so that we have not yet completed our evaluation of what came back as a result of that consultation. All I can share with you is anecdotal, response to the effect that many hospitals that began to seriously look at what they were paying—a large amount of money—to dispose of their biomedical waste found that in those yellow bags were often things that in fact didn't need to go to an expensive biomedical waste facility. In fact, one found a whole yellow bag full of magazines and realized that its own internal procedures were costing them more money than it ought.

So my sense is that the consultation has been well received, that hospitals, because they were part of developing the consultation paper, have responded positively. I would hope that we would be able to move to implement some of that strategy fairly shortly.

1750

Mr Cousens: I raised initially, in my remarks at the beginning, the illegal transfer facilities that are operating in the greater Toronto area. Could the ministry elaborate on this issue? Is it a problem? Are you looking into it? Are measures being taken to handle it?

Hon Mrs Grier: I think there are. You raised the issue in your opening comments of the illegal transfer stations. I think it's important, because of the sensitive nature of biomedical waste, to make the point that we certainly have not had extensive complaints about illegal transfer stations for biomedical waste.

Mr Cousens: No, I was really going to the whole illegal transfer stations that exist.

Hon Mrs Grier: Of total illegal, okay. There have certainly been complaints given to our ministry about some companies that are operating without certificates of approval under the Environmental Protection Act. We monitor transfer sites and we conduct periodic inspections of transfer sites, both legal and those that are reported to us as being illegal. If we find that the transfer station is in fact operating illegally, or we believe it to be operating illegally, then the investigations and enforcement branch, I can assure you, investigates the complaint and, if appropriate, lays charges.

Mr Cousens: Have there been any charges laid?

Hon Mrs Grier: I don't know whether charges have been laid at this point. Oh, I see Mr Merritt. I had the director of enforcements here all day yesterday and there were no questions about that, so I'm afraid we—

The Chair: Welcome back, Mr Merritt. You heard the question.

Mr Merritt: They left me to answer all the questions. Yes, there have been charges laid; there have been several companies charged. There are several investigations under way too.

As the minister says, this is an area we're taking very seriously. We are not getting what would be hundreds of

complaints; we are getting a handful of complaints coming in regularly every month. A number of them tend to be complaining about the same establishment, which is either under investigation or prosecution, but it's something that is ongoing and we're putting a lot of staff time towards following up on any calls or any indications that come to our attention.

Mr Cousens: Could we have a report on the status of that, with some of the details? I mean whether they've been charged or if—this would be public information?

Mr Merritt: We have to be careful about some of the detail, but we'd be pleased to give you some statistics on the level of activity.

Mr Cousens: That would be helpful.

I had some questions on another subject that was going to relate to the Ontario Waste Management Corp. Since we won't be going into next week when they might have been coming, these questions might be something where you or the ministry could provide answers pursuant to our meeting today. I'll just put them on the record, if I may.

The government phone directory shows a number of people within the administrative structure of the OWMC, personnel employed in the areas of communications, public affairs, marketing. What is the function of these people in relation to the objective of the corporation? Perhaps you could tie in the number of people who are part of that picture, which looks to me rather large and rather expensive. Also, the OWMC received \$12.6 million in government funding. Would it be possible to receive a breakdown of how that was spent and what the priority areas are they're trying to proceed in?

Hon Mrs Grier: I think that annual report was tabled just recently, but we can certainly provide you with more of that.

Mr Cousens: I don't think the kind of question I'm asking is in an annual report. I think I'll just leave it at that, Mr Chairman.

Hon Mrs Grier: I'm pleased to tell you that we hope their hearing will be concluded by the end of the year.

Mr McClelland: Can I just share an anecdote with the minister that I think she'll find interesting, with respect to the yellow bags? It's one of those things that happens in the real world, regardless of which government's in power.

Some poor soul at Peel Memorial Hospital thought they could save money, so went out and bought the orange garbage bags at great savings, apparently, a private hauler—you probably know who it is, but it's really irrelevant—and hauled it to Peel landfill site. Of course, somebody came by from the ministry and saw orange garbage bags, did a little bit of inquiry, and ascertained that they had come from Peel Memorial Hospital.

The net result was that notwithstanding the fact that the owner of the hauler and the individuals from Peel Memorial Hospital went to Britannia, walked into the landfill site—which was good experience for them, I might add—ripped open all the bags and determined that in fact it was non-biomedical waste, one of your people, zealous and only trying to do his or her job, insisted that they be hauled back out of there and disposed of as if they were biomedical waste.

I thought you'd find that an interesting anecdote, because I think it speaks volumes about the need for all of us in government to mesh reality and the practical application of the things we're trying to do. I look at that and think, boy, all of the effort—there was a sense of, not animosity, but an adversarial atmosphere that was set up that need not have happened.

I just share that with you because I think you would find that interesting. Not that I suggest for one moment that the minister should be advised of that kind of thing in the day-to-day operation, but I think it's important that we know that those kinds of things happen, have happened in the past and will continue to happen in the future, regrettably. In trying to do our job, it's the sense of majoring on majors instead of sometimes majoring on minors, if you will.

Hon Mrs Grier: I appreciate your sharing that. I do have to say, though, that the sensitivity with respect to inappropriate disposal of biomedical waste is extreme. So if they're going to be overzealous, rather on biomedical waste than soft drink containers.

Mr McClelland: I respect that, Minister. I just thought I'd share that with you as a point of interest.

The Chair: Mr McClelland, thank you very much. You do have 10 more minutes. Do you have any more anecdotes, or did you have any more questions?

Mr McClelland: I have some more questions, but regrettably, as much as I'd like to use them, I have a commitment at 6:30. I'm going to find it very tough to—

The Chair: If you choose not to use the time, that's your business.

Mr McClelland: It's not a matter of choice.

The Chair: We had an agreement that we could extend to this hour, and I was accommodating you.

Mr McClelland: I understand.

Mr Cousens: The one question I'd like to have, if the minister could table it at another time, has to do with CFCs and ozone-depleting substances. What action has the province got in motion to assist with that battle, as it applies to the Clean Air Act that comes out of the States? They've got a specific program. I wondered if there were any activities that are active right now, other than just refrigerants, and I know of some of them.

Hon Mrs Grier: Mr Ronan responded to that extensively yesterday, so if you'd look at that, if there is additional information that you'd like, we'd be glad to provide it.

Mr McClelland: In conclusion, there are a number of questions that have come up. Just by way of reminder—I won't canvass them all, but perhaps we could have answers to the issues I raised with respect to Musselman Lake yesterday, and the number of illegal storage sites for tires—

Hon Mrs Grier: We have noted those, and we'll get you the answers.

Mr McClelland: —and the commitment of security and the costs related to the commitment of security for those illegal sites. An inventory would be appreciated.

Hon Mrs Grier: And you had a question on research on groundwater. We have some information on that, but perhaps I should give it to the secretary and have it forwarded to you and do it officially that way.

The Chair: The clerk would be pleased to receive that and circulate it to committee. Are there any further questions?

Mr McClelland: I wanted to say thank you to the staff of the ministry for making themselves available, because I know it means they go back and spend a couple of hours dealing with details they were called upon to deal with throughout the course of the day. Their sacrifice—and I use that word advisedly—does not go unnoticed nor unappreciated.

Mr Cousens: I'm very grateful for the cooperation we have had from everybody. I appreciate the support.

The Chair: And I am very grateful, as the Chair, for the cooperation of the full committee and staff who are in attendance for these hearings.

With the time allocated for the estimates of the Ministry of the Environment deemed to have been completed by this committee, I'd entertain the necessary motions.

Hon Mrs Grier: Mr Chair, can I—

The Chair: When I'm finished, Minister, it'd be fine. But I'm inches from a clean getaway here; please don't interrupt me.

Hon Mrs Grier: That's what I'm afraid of.

The Chair: Shall vote 1501 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1502 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1503 carry? All those in favour? Opposed, if any? Carried.

Shall vote 1504 carry? All those in favour? Opposed, if any? Carried.

Shall the 1992-93 estimates of the Ministry of the Environment be reported to the House? All those in favour? Opposed, if any? Agreed.

Minister, you wish the last word.

Hon Mrs Grier: I merely wish to thank you, Mr Chair, and the members of the committee for their consideration and questions, which are always very helpful to me to know which issue is of particular importance to the members. We will try to respond to the answers.

I particularly want to thank my colleagues in the government who have not asked very many questions. I suspect I'll pay for that in caucus on some other occasion when they will have an opportunity to raise their issues with me. But I appreciate the fact that we have completed the estimates with dispatch. Thank you all very much.

The Chair: Thank you. This standing committee on estimates stands adjourned to reconvene on Tuesday, October 27, at which time we will begin the Ministry of Consumer and Commercial Relations.

The committee adjourned at 1802.

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- *Mathysen, Irene (Middlesex ND) for Mr Bisson
- *Rizzo, Tony (Oakwood ND) for Mr Perruzza

*In attendance / présents

Also taking part / Autres participants et participantes:

- Cousens, W. Donald (Markham PC)
- McClelland, Carman (Brampton North/-Nord L)
- Murdoch, Bill (Grey PC)

Clerk / Greffier: Decker, Todd



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Ministry of Consumer and
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Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Mardi 27 octobre 1992

Comité permanent des budgets des dépenses

Ministère de la Consommation
et du Commerce



Chair: Cameron Jackson
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Président : Cameron Jackson
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 27 October 1992

The committee met at 1537 in committee room 2.

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

The Vice-Chair (Mrs Margaret Marland): I would like to call to order this meeting of the standing committee on estimates to review the estimates of the Ministry of Consumer and Commercial Relations and I would like to welcome the minister to her first experience in estimates. Good luck.

Hon Marilyn Churley (Minister of Consumer and Commercial Relations): Thank you.

Mrs Marland: We will start, of course, in the usual format for the estimates committee, which is an opening statement by the minister and then responding statements by the critic for the official opposition and the critic for the third party.

Hon Ms Churley: Good afternoon, everybody. I see more members of your committee are arriving. I'm pleased to appear before this committee to outline the achievements and plans of the Ministry of Consumer and Commercial Relations.

During my tenure as minister I have seen the ministry undergo significant change in its efforts to meet the challenges of greater public demand for accountability and better customer service in an increasingly complex marketplace.

This marketplace has seen many changes since the Ontario government became active in consumer matters in the late 1960s. The consumer population is much different today. There are more older consumers, more single-parent and two-income families, a high consumer debt load, more and more vulnerable consumers who fall prey to unscrupulous business activity and an increasing need for consumers to be able to act independently to resolve problems without having to rely on government.

Businesses and government have also been transformed in the last quarter century. The expansion of our world markets, technological advances and environmental concerns have significantly influenced the shape of our marketplace. These factors, combined with changing economic times, have made strong protection for Ontario's consumers more important than ever before.

Obviously these changing patterns have created real challenges and the need to develop new ways of doing business. This translates into the need for MCCR to further develop partnerships in support of a fair and vibrant marketplace.

Over the past couple of years, ministry staff have worked closely with consumer, industry and other interest groups to lay the groundwork for enhanced consumer protection. At the same time we continued in our effort to provide opportunities for growth to businesses.

While maintaining an outward focus, MCCR is also concentrating its energies internally. Much of our energy has centred on responding to the government's call for ways to reorganize work, reduce costs, change the workplace, eliminate old approaches and use technology cost-effectively.

I'm pleased to say we have been meeting these expectations at MCCR. In fact, much of the streamlining that is taking place across the Ontario government has already been under way since the mid-1980s, when our ministry started to examine, in some detail, how it does business.

Our work is not going unnoticed. In the November 1991 issue of *Chatelaine*, MCCR was touted as one of the best companies to work for in Canada. In regard to our work arrangements, the article said, "At the Ministry of Consumer and Commercial Relations, 80% of staff are using flexible work options, the highest in the Ontario public sector."

The ministry was recently recognized by the author of the 100 Best Companies to Work for in Canada for innovations which have led to increased employee satisfaction, greater flexibility of work arrangements, faster decision-making and joint ventures with private sector organizations.

MCCR also won prestigious awards from the Institute of Public Administration of Canada in 1990 and 1992 for excellence in management.

A prime example of our innovative approaches was a staff consultation process called *Setting Directions* for the 90s. The *Setting Directions* initiative provided ministry staff and clients with an opportunity to identify new and innovative ways to improve the way we do business and keep in touch with the changing needs of our customers.

Through ministry-wide meetings held across the province, we discovered that simplified legislation, better public education and increased access to training and career development opportunities were our staff prime concerns. Several significant projects produced new ideas and practices which will greatly contribute to improving the service we provide to our clients. We will continue to rank our investment in staff development and appropriate technology as top priority.

Staff consultation and *Setting Directions* were the building blocks that helped lay the foundation for the next step in the ministry's strategic vision.

In view of the challenges of fiscal constraint, the focus has shifted more to operational change—improvements that will give the ministry and its staff more flexibility, more value for our dollars and prepare us for new and different skills and businesses.

This past spring, the ministry launched the management corporate league project, the umbrella theme for a series of 17 projects that will build on the previous planning exercises and help make our workplace a learning

organization. Essentially, this translates into a working environment where continuous change means continuous improvement.

More than 150 people are directly involved in these projects, representing a broad cross-section of the ministry—bargaining unit, middle management and executives. They will utilize the skills and knowledge of others throughout the ministry.

We've broken these projects into three key strategies. The first strategy is managing our resources effectively and within our budget. This means getting smarter about how we currently manage our financial and human resources and meet our commitments, and how we develop operational tools to manage more efficiently and deal with changes and pressures in the future.

The second of our three strategies takes a look at productivity in today's environment. In this regard, we will be searching for answers to such questions as: How do we improve productivity? How do we get more value for our efforts and resources? Can we use our technology better?

The third strategy, Planning Our Future, will address our long-term goals as a ministry. This involves looking at what businesses we should or shouldn't be involved in, future service strategies to provide both customized and generic services and a continuous learning plan that allows our employees to grow, develop and change. The vision we have for the ministry is to promote a fair, safe and informed marketplace that supports a competitive economy in Ontario. The time for planning is now. The ministry has to be ready for new and different businesses and business skills. MCCR's role can no longer be exclusively limited to regulator, protector or service provider. In today's world we have to expand our perspective. As a ministry, we must pursue a wider range of opportunities leading to new partnerships and different kinds of consultation processes and new kinds of service. We also have to take advantage of available technology to ensure that we attain a high level of customer service which meets the needs and expectations of our very diverse client groups.

The technological innovations that are taking place throughout our ministry are perhaps best demonstrated through the activities of the registration division, which has several of the largest databases in the Ontario government. For example, customers of the division have access to faster and more convenient services now that they are allowed to file information electronically as a result of the proclamation of the Electronic Registration Act last March.

The personal properties security registration system, which provides a public record of personal property pledged as security for financial transactions, was the first ministry program to use this capability. Information in the system is provided primarily by businesses offering loans.

In the past, ministry clients provided information on paper to branch staff, who then entered it on to a computer database. Under the new system, information can now be electronically transmitted into the PPSR database even when the public office is closed for the day.

The branch also implemented electronic searching of its database, giving clients the ability to conduct their own searches from their offices as well. Direct inquiry of the

PPSR database accounted for 42% of the searches by September 1992, thereby allowing the branch to reduce resources required for this purpose.

Another important example of the ministry's commitment to providing high-quality customer service was the formation of an important linkage between the private and public sectors to produce a land-related information system for the world market. This strategic alliance between the Ontario government, represented by MCCR, and Real/Data Ontario, a firm representing an array of specialized skills, led to the creation of a new corporation that draws upon the expertise of both partners: Teranet Land Information Services Inc.

Teranet's mandate is twofold: It will automate land registration information province-wide and develop an internationally competitive land information system using Polaris as the catalyst. Polaris, which stands for province of Ontario land registration information system, is an automated property title indexing and mapping system. Property records are computerized to provide those in the land registry business with faster, more accurate information. It's already operating in Woodstock, London, Chatham and Toronto.

As of September 1992, almost 372,000 property records were available to the public in these four locations. Full implementation by the corporation will take eight years. When completed, an estimated four million property records will have been converted from paper to digital form.

A strategic alliance liaison office was also created in June 1991 to ensure that the interests of the Ontario government were promoted through effective and ongoing liaison between MCCR, Real/Data and Teranet.

In keeping with the partnership theme, another new partnership between government, industry and consumers was created in early 1991 to study the concept of coregulation in the real estate industry. I believe regulatory change is needed to address the current realities of the marketplace and a more complex real estate industry. Under coregulation, government would continue to make legislative and generic policy decision, but the real estate industry would assume a greater share of the responsibility for standards setting and policing its members.

1550

The representative working group looking at coregulation is also working on rewriting the Real Estate and Business Brokers Act, which was last amended in the 1960s. The advisory committee is comprised of representatives from the Ontario Real Estate Association, the Canadian Bar Association, the Ontario arm of the Consumers' Association of Canada, unaffiliated realtors and business brokers and MCCR staff from our policy and legal branches.

I'll make additional comments regarding the importance of consultation and partnership in implementing other important ministry initiatives later in my remarks.

The current public environment and the government's commitment to cost-efficiency in the Ontario public service also led to the consolidation of some of the ministry's land registry offices. There are now 55 registry offices, with at least one in each county, regional municipality and provincial judicial district. The consolidation of land registry

offices eliminated the costly duplication of services in some counties, and also provided several million dollars in replacement and renovation expenses to older offices.

There is no doubt that some clients, accustomed to having an additional office in their community, have been inconvenienced by the consolidation. However, for many clients, the land registry integration means that they will not longer have to travel to two or sometimes three locations to complete their research and conclude transactions. Land title researchers, who sometimes had to travel to two land registry offices in the same county, will now find all their records for their county under one roof.

In response to concerns over the integration of these offices, I would like to emphasize that the action to restructure these services was a difficult decision, one we did not take lightly. It demonstrates our commitment to serve the taxpayers of Ontario in the most fiscally responsible way possible, while supporting the best interests of the people who rely on land registration information and our own staff.

In an attempt to provide better service to consumers who need to obtain birth, marriage and death certificates, amendments to the Vital Statistics Act were proclaimed by the ministry in January 1991. The changes to the act laid the groundwork for the application of new computer technology that allowed the office of the registrar general to store the registration of births, marriages, deaths and other events more efficiently. The changes also allow the office to operate out of both its new head office in Thunder Bay and from the walk-in centre located in Toronto.

Before the ORG moved to Thunder Bay, more than 10 million documents were converted into a couple of hundred computer optical discs by employees from the Goodwill Industries, a non-profit vocational agency in Toronto. The new system for document storage, known as auto-imaging, eliminates the need for over 8,000 square feet of storage space.

The ministry's relocation of its office of the registrar general to Thunder Bay also provided MCCR with an opportunity to employ modern human resources techniques, especially in the area of workplace design and hiring practices, so that all segments of the local population could benefit equally from the move.

Initially, we had some startup difficulties that produced a situation with rapidly increasing backlogs and significant disruptions to service. Generally, however, these problems have been overcome.

The relocation required: resolution of higher-than-anticipated backlogs transferred to Thunder Bay; the recruitment of almost an entirely new staff; implementation of new, leading-edge imaging technology; organizational restructuring which flattened the organization and provided a structure to facilitate empowerment of working level staff; and staff reduction in anticipation of productivity gains from the new technology. These challenges were complicated by an unexpected workload increase of almost 20%.

Since the move, telephone inquiry lines have also been increased in Toronto and Thunder Bay. As a result, phone calls to the ORG increased from 2,000 per week prior to

the relocation in March 1991 to 4,000 per week just a year later. During the same time frame, the ORG saw the number of walk-in customers at its Toronto front counter skyrocket to over 130,000 from 63,000 annually.

In addition, requests for mail services increased by close to 70,000 per year. This means the ORG is now handling, on an annual basis, over 150,000 more customers per year, counting both mail service and walk-in clients.

I'm pleased to report that over the past year continued progress was made in refining technology and work processes, training personnel, improving communications with major stakeholders and better managing client expectations, which helped to significantly improve turnaround times and service levels.

Currently, the ORG is registering births, deaths and marriages two to three weeks from receipt of the documents, servicing requests for routine certificates within two to four weeks and issuing 12,000 certificates weekly, on average.

Not surprisingly, technology is also a major factor in improving program delivery in our technical standards division. Internally, computers are performing a variety of routine clerical tasks, and the first phase of a division-wide system for risk assessment and analysis was recently implemented. Using computers to minimize known and potential hazards enhances the division's international reputation for promoting the highest safety standards in elevating devices, hydrocarbon fuels, pressure vessels and upholstered and stuffed articles.

As part of this ministry's commitment to establishing some of the world's most stringent safety guidelines, the elevating devices branch, working with the Canadian Standards Association, recently completed its review of the B44 elevator safety code and finalized a comprehensive supplement. An important part of this addition relates to maintenance requirements and a standardized logbook for all elevating devices. Significant steps are being taken to further assure the safety of elevator users. These include the retrofit of improved door retainers and equipment helping mechanics to detect faults without endangering the public.

Then there is the review we have been conducting of the Operating Engineers Act to increase safety in Ontario's operating plants, which includes facilities such as boilers, compressor plants and air-conditioning plants. We will be working in consultation with our stakeholders to review the legislation not only for safety purposes but at the same time for strategic economic and competitive reasons. Besides improving the safety of the general public and workers in and around operating plants, proposed amendments to the act would also address recent technological developments in the refrigeration, air-conditioning and compressor industries, would make the act easier to understand and administer and would bring under regulation all operating plants using environmentally damaging substances, including CFCs.

1600

Public safety has been enhanced through the division's fuels safety branch by improved response to fuels incidents, such as propane leaks and natural gas explosions, plus stronger enforcement of laws and codes.

For example, in March, branch staff investigated consumer complaints regarding problems with vehicles breaking down shortly after being refueled. Working together with the ministries of Revenue and the Environment and the Metro Toronto and Ontario Provincial Police forces, branch investigators uncovered evidence that contaminated gasoline was being sold by 17 southern Ontario gasoline filling stations. The stations, along with a gasoline bulk plant, were shut down to allow branch inspectors to check the safety of fuel storage and dispensing equipment and monitor the removal of tainted fuels. The tainted fuel, which contained solvents that could cause deterioration of vehicle seals and gaskets, was removed.

Back on the legislative front, important new legislation introduced by the ministry to better protect consumers and businesses included the new Business Names Act, which was proclaimed in May 1991. All unincorporated businesses operating under names other than their owners' names are now required to have their names registered. Past laws regulating business names of sole proprietorships and partnerships applied only to those in manufacturing, trade or mining. Businesses such as consultants, hairdressers and building contractors were exempt. Under the new act, all are now required to register with MCCR's companies branch. The benefit to the consumer is easier access to information about businesses with which they deal. This type of information is particularly important to people trying to settle disputes. Simplified registration forms were also introduced and a new brochure, *Registering Your Business Name in Ontario*, was published in English, French, Italian, Portuguese, Spanish, Greek and Chinese. The new act was supported by a widespread print advertising campaign to ensure all business owners learned about the new requirements.

The ministry is also taking steps towards modernizing sections of legislation we administer that are out of sync with the areas they govern. This includes outmoded legislation that inadequately protects consumers.

A good example is the new Condominium Corporations Act. The act was recently introduced for first reading and we're proposing significant changes to the current legislation. After remaining untouched for more than a decade, the act needed revision. During that period there was a dramatic increase in condominium construction and ownership; however, adjustments to the act and its regulations have not kept up.

Our proposals aim at achieving four important goals: balancing the power and control of those who live in their units with that of larger investors; diversifying affordable home ownership opportunities for Ontarians; encouraging job creation through new condominium development, and increasing consumer protection.

In an effort to enhance consumer protection, we are recommending clearer and stronger sales disclosure requirements. Condominium buyers have a right to be adequately informed about what they are buying. For example, in pre-sales of unbuilt condominiums, disclosure would be required for the status of all necessary approvals. This will help consumers avoid unpleasant surprises after they have signed agreements. The proposed changes would also protect people

who sell condos by making it clear exactly what information they must provide to meet disclosure requirements.

MCCR is also involved in a new government program, in cooperation with the ministries of Revenue and Transportation, to better protect consumers when they buy used vehicles through private sales. A number of problems exist with the private transfer and sale of used vehicles in Ontario. For example, cars used as a security against outstanding loans are sometimes sold to unsuspecting buyers, who may then become responsible for outstanding amounts.

Also, many sales are made by unlicensed dealers or curbsiders who may misrepresent the history and previous uses of the vehicles. A typical curbsider runs an under-the-table business, usually selling more than five vehicles a year. It's estimated there may be as many as 20,000 curbsiders operating in Ontario.

We are hoping to reduce the number of ripoffs in private used car sales with a new set of procedures, some of which were introduced earlier this month and the rest next April.

On October 1, 1992, changes were made regarding the payment of retail sales tax on the private sale of used motor vehicles. Frankly, there are a great number of consumers who are avoiding the proper sales tax on used vehicles, and everyone else has to carry the extra load. Buyers of used vehicles are now required to pay the sales tax on the fair market value at the time of the transfer, which is defined as the greater of the purchase price or the average wholesale value. The average wholesale value is based on the Red Book wholesale value, which can best be described as the average price the dealers pay when buying from each other. There will be an appeal process for consumers who can show their vehicle is valued at less than Red Book price due to damage or heavy use.

On April 1, used car sellers will have to buy a used vehicle information package. These mandatory kits will provide the vehicle's ownership history, any outstanding liens registered against it and the fair market value of the vehicle on which the retail sales tax is based. The seller must give the kit to the buyer. By providing more information about the vehicle, the package will help consumers in making an informed decision.

This past April, the ministry also proclaimed the new Cemeteries Act to reflect the dramatic changes that have taken place in the funeral and cemetery industries since the legislation was last revised in the mid-1950s. The new act contains a variety of consumer protection features, such as a ban on telephone solicitation and door-to-door sales of cemetery lots, services and supplies.

The highly sensitive nature of this subject, and the possibility of ill or recently bereaved people being contacted by salespeople placing random calls, make such forms of solicitation undesirable. We're also concerned about the risk of target groups such as seniors being subjected to intensive, high-pressure sales tactics.

The new legislation also improves public safety in cemeteries, requires that all money pre-paid to cemeteries for future services be held in trust, requires full disclosure of contract details to consumers and provides for a 30-day

cooling off period during which consumers can cancel contracts with a full refund.

The revised act also protects the dignity of native burial grounds and any artefacts found in them in a manner that respects the customs of first nations people.

Social gaming issues were high profile over the last fiscal year, with a number of groups seeking changes to the licensing of charitable gaming events.

Since charitable gaming was first permitted in Ontario over 20 years ago, it has evolved from church basement bingos to a thriving, multibillion-dollar business. Its unprecedented growth had generated a number of concerns relating to accountability in the charitable gaming marketplace and the need for appropriate regulation of all participants in this industry.

The new Gaming Services Act, introduced for second reading this month, will ensure that charities get the full benefit of the funds they raise.

1610

Provisions under the new act will regulate the activities, services and fees of commercial participants in Ontario's gaming industry and require the registration of those who provide gaming services, supplies and premises in accordance with high standards of honesty, integrity and fiscal responsibility. This framework will pave the way for talks with the first nations relating to control, regulation and administration of gaming activities on their reserves.

I would like to emphasize that the act focuses on the charitable component of gaming in Ontario and indeed is separate from the issue of casino gambling.

On that note, this spring the government approved the establishment of a special project team responsible for the carefully controlled implementation of casinos. The casino project is a corporate initiative of the government, developed in response to communities, particularly border communities, interested in using casinos to assist local economic development and of course to generate new revenues for the provincial treasury. We are committed to strict regulation and control of gaming by the government and are planning this initiative in a prudent manner.

Earlier this month I announced that the Windsor area would be the site of an initial casino pilot project. By starting with a single pilot project, we can make sure that the most effective regulatory and law enforcement systems are put in place. We will develop a made-in-Ontario working model that other communities can watch and learn from.

We are strongly committed to ensuring that the advent of casino gambling does not have an adverse effect on other popular forms of entertainment in Ontario such as horse racing. Ontario Standardbred racing, supervised by the Ontario Racing Commission, has earned its number one ranking in North America, not just in spectators, betting marks, number of raceways and live racing days but in quality.

Its importance to the provincial economy is crucial. Ontario's horse racing and breeding industries provide more than 50,000 jobs, with four out of every five of those jobs in rural communities. The industry's racetracks have an estimated \$2.2-billion annual impact.

The horse racing industry, like many others in Ontario, has been particularly hard hit by the recession. Betting is static, attendance has dropped substantially and revenues are down. This government recently introduced a \$2.5-million rebate program to increase the viability of racetracks to the benefit of the thousands of women and men in Ontario whose livelihoods depend upon a viable horse racing industry.

The current tax-sharing arrangement, where the province rebates a portion of racetrack tax revenues to stimulate the ongoing development of the horse racing and breeding industries, will continue. Ontario rebated approximately \$26 million to the industry last year, based on \$80 million in gross racetrack revenues.

As a regulatory industry, MCCR has to be sensitive to the changes occurring in our economy crucial to Ontario's wellbeing. We need to develop policies and programs that will keep our industry clients productive and competitive on a national and international level. The dynamic activity which has occurred through the ministry's liquor programs best exemplifies this commitment.

Last year changes were made to regulations under the Wine Content Act to allow wineries to produce new blends of wine and compete more aggressively in the province's wine market. Wineries can now produce new blends with the increase in imported content. The label of a bottle containing 25% of domestic wine and 75% of imported wine will indicate that it is a blend primarily from the imported wine's country of origin. These changes are consistent with labelling provisions found in the federal Food and Drugs Act.

This more active participation in Ontario's international market is also expected to gradually increase the demand for Ontario grapes and grape products. It can be viewed as a good way to stabilize employment in the industry. With time, it also should create new job opportunities in Ontario wine production and related businesses.

We also joined forces with other provincial ministries, other levels of government and the wine industry to dispel some negative images and myths about Ontario wines. The message we wanted to bring home was that Ontario wines are being recognized for their quality worldwide. In the past couple of years, our domestic wines have won a multitude of prestigious international tasting and sampling competitions. As a result of a highly successful province-wide advertising campaign, Ontarians are becoming more aware of these excellent homegrown wines. A Vintners Quality Alliance designation is now accepted by the wine-drinking public as an assurance of quality and value.

In 1991-92, total Ontario wine sales increased by more than 5% over the previous years. At the same time, four million litres of Ontario wine were sold to other provinces or exported to other countries. That represents more than \$7 million in sales. We have proven that we can compete successfully with the best in the world.

Our commitment to a healthy, stable beer industry was demonstrated when we announced the removal of this province's beer interprovincial and international trade barriers. As you are aware, adjustments have been made to Ontario's beer marketing practices in response to a GATT

panel decision requiring the provinces to provide improved access for imported beer. Before responding to GATT, however, we announced the dismantling of our own beer interprovincial trade barriers. We viewed the elimination of these barriers as an important first step in changing policies to allow our domestic brewers to make the necessary adjustments to be competitive with foreign producers.

Without barriers to interprovincial trade, Ontario brewers with operations in other provinces will be able to supply their products from out-of-province plants to the Ontario market. They will also be able to supply other provinces with Ontario-brewed beer. Streamlining their operations will enable Ontario brewers to increase their efficiency in a way that maintains production and preserves jobs.

One of our agencies, the LCBO, has also had to make changes to its operation in response to the current realities of the beverage alcohol marketplace. The economic downturn, with its resulting unemployment and reduction in consumer spending, has had a profound impact on the province's retail sector. As a major Ontario retailer, the LCBO has not been immune to the general weakness in consumer spending.

The marketplace pressures created by the recession, combined with other factors such as an increase in cross-border shopping, smuggling and changing attitudes towards the consumption of beverage alcohol, have resulted in the necessity of further reducing the costs of doing business at the LCBO.

Faced with this very difficult set of circumstances, the board recently announced the elimination of a number of surplus positions and the introduction of an optional early retirement program to reduce operating expenses in the face of declining sales. The end result has been a reduction of hours worked by casual staff as opposed to layoffs of large numbers of full-time employees.

You may recall that back in 1987, the Provincial Auditor identified a surplus of staff at the LCBO. Since then, attrition has been used to reduce the staff complement. In addition to the elimination of surplus positions, the LCBO is currently reviewing all aspects of its human resources planning.

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Despite these challenges, the LCBO is probably one of the most visible examples of MCCR's efforts to improve customer service. By the end of this year, the LCBO will have upgraded its 116 top-performing stores to provide customers and staff with a more efficient shopping environment. The store improvements will aid the board in its effort to maintain high levels of service and achieve sales targets.

I'd like to point out that the upgrades taking place as part of the LCBO's IMAGE, or Innovate, Merchandise and Generate Enthusiasm program are far from being merely cosmetic. Aside from much-needed repairs and maintenance, the IMAGE program incorporates upgrades such as energy-efficient lighting, security systems, asbestos removal and improved access for disabled customers.

According to LCBO figures, stores upgraded under this program are recording a 3.5% increase in sales over other LCBO outlets so far this year. As a result, the cost of

the upgrades will be recovered in less than 18 months, a return that would be the envy of any Ontario retailer. Without these improvements and with the associated increase in sales, there would be an even greater need for further cost-cutting measures at the board.

Innovative programs like IMAGE and other in-house initiatives, aimed at environmental protection and the dangers associated with drinking and driving, are helping the LCBO meet its commitment to being the best customer-focused and profitable retailer of beverage alcohol and related services—in a socially responsible manner.

Customer service and productivity are also being improved at the Liquor Licence Board of Ontario.

Mr David Tilson (Dufferin-Peel): On a point of order, Madam Chair: My understanding is that the minister's preliminary remarks are to last, by custom, at least half an hour, or 30 minutes, and I think we're now approaching 45 minutes, at least by my count. This is being very well read. I guess my question is how much longer the minister anticipates going on. It's a big subject and I think we should be allowing sufficient time for questions and answers.

The Vice-Chair: Mr Tilson, your point is well made. There usually is an agreement that it will be half an hour for each party, as I outlined at the beginning. In fact, in fairness, I don't think I did outline the time; I just outlined the order at the beginning of this meeting. However, if there is agreement for the minister to complete—she only has six more pages—

Mr Tilson: And how fast she reads them.

The Vice-Chair: —we can extend the response time.

Hon Ms Churley: Or I can reduce mine. I'm quite willing to reduce my response time to make up for the—

The Vice-Chair: Because you have 15 minutes at the end, or half an hour at the end?

Hon Ms Churley: Thirty minutes. I'll agree to do that.

The Vice-Chair: How about if we agree to do this: that the minister doesn't use the full half-hour that she has to respond to the two critics, so her overall time will balance out to be the same. Is that agreeable?

Mr Tilson: I'm sure you'll handle it, Madam Chair.

Hon Ms Churley: Where was I? Customer service and productivity are also being improved at the Liquor Licence Board of Ontario as a result of a new on-line computer system which encompasses the four main areas of the board: licensing, inspections, hearings and advertising.

Significant reductions in staff time in retrieving information to answer frequent and routine inquiries and in processing applications have resulted. For example, the time to process a new licence application has dropped by half despite staff reductions and budget constraints.

New regulations under the Liquor Licence Act proclaimed in June are also bringing Ontario's liquor licensing policies into the 1990s. The LLBO now has the authorization to permit the sale and service of wine, in addition to beer and coolers, in Ontario stadiums. To be eligible for licensing, stadiums must meet established criteria. They must have permanent and fixed-tiered seating

and be home to a professional sports team or to players who hold live sports events on a regular or seasonal basis. The six stadiums that were previously licensed on an ad hoc basis reported few social or enforcement problems relating to alcohol.

The new regulations ensure that these same high standards will continue to be met by newly licensed facilities. In addition, stadiums must ensure there are prominent notices throughout the stadium which promote the responsible use of liquor.

Many of the initiatives I have mentioned were developed in cooperation with our stakeholders. We have benefited greatly from our ongoing dialogue and consultation with consumer experts, the business community, labour representatives and consumers. I'm convinced that consultation and partnership are the key to the future success of ministry initiatives as demands for improved consumer protection and fairness in a rapidly evolving public environment continue to grow.

The importance of this consultation and partnership approach is perhaps best reflected in the development of one of the ministry's most important pieces of consumer protection legislation, the proposed fair marketplace code. The consultation group helping us fine-tune the new code includes representatives from major business and consumer groups: the Ontario chapter of the Consumers' Association of Canada, the Canadian Federation of Independent Business, the Canadian Manufacturers' Association, the Retail Council of Canada and the Ontario Chamber of Commerce.

This new legislation, which we expect to introduce next year, will comprehensively cover all transactions dealing with goods and services in Ontario for the first time. It will also clearly define standards for an honest and competitive marketplace where both consumers and businesses will better understand their rights and responsibilities. The new code will include the growing service sector of Ontario's economy and recognize the impact of new types of technology, such as telemarketing, that are not covered under the existing legislation.

The bottom line is that the marketplace needs new legislation which will modernize and consolidate outdated consumer legislation into a single, plain language code. As a ministry that deals extensively with the public, we have a clear responsibility to make certain the new code is easily read and understood by everyone. We are exploring ideas for the use of plain language for consumer contracts. If the rules of transactions are easier to understand, I believe fewer disputes will occur and consumer confidence will increase.

Aside from our firm commitment to strong new consumer legislation, we are also going that extra mile to ensure that MCCR maintains its effectiveness as an organization by delivering top-notch customer service, not only to the customers who step up to our counters looking to register a business but to our staff as well. In the years that lie ahead, I'm confident that the Ministry of Consumer and Commercial Relations will achieve even greater levels of customer service as we continue to formulate legislation responsive to the dynamics of our modern marketplace.

The Vice-Chair: Thank you, Minister. Mr Cordiano.

Mr Joseph Cordiano (Lawrence): Let me just say how much I appreciated the minister's opening remarks and how fulsome they were, covering a broad range of subjects which are entirely within the scope of this ministry. But let me just comment in my opening remarks starting off with why this ministry is very important and its role is important to Ontarians.

The ministry is one of the most diverse in the government. It's responsible for the administration of 50 pieces of legislation and related regulations which affect 300,000 businesses and almost every citizen in the province, as we have heard from the minister. Your programs affect both businesses and consumers and are intended to promote, as has been stated in the past, a high level of business conduct; establishing standards for public safety—as the minister has pointed out in a number of items which she mentioned in her opening remarks—maintaining records pertaining to vital statistics, the office of the registrar general; controlling the use of availability of beverage alcohol; regulating the horse racing industry, and of course the advent of gambling in the province of Ontario.

1630

The clients are varied: consumers, businesses, municipalities, regional governments, financial institutions, the legal profession, the general public and participants in activities directly regulated by the ministry such as boxing, wrestling, racing and charitable gaming. You cover quite a lot of territory, and I attempt to cover you in that territory. The reason I stated all this is because, quite frankly, I think you've gotten lost in the forest somewhere.

Under our Liberal administration, the ministry's stated purpose was quite simple and straightforward: to inform, serve and protect the public, participants, consumers and businesses and to encourage the maintenance of an honest and equitable marketplace—simple. But as I say, I think you've gotten lost somewhere along the way. I'm almost tempted to rename this ministry and the minister: the Minister of New Government Revenues. That's what this ministry has now become, the cash cow of the government.

There is no area you will leave untouched in your efforts to seek new revenues for the government. Quite frankly, I think it doesn't bode well for consumers in the province. You have indicated today that the long awaited consumer protection legislation will be forthcoming some time next year. I note that the minister has also said, prior to this in discussion in the House, that consumer protection legislation was forthcoming. I'm glad to see that at least we have some kind of an indication as to the time frame, which you've now stated clearly will be some time in 1993. I await that with a great deal of interest, as I'm sure most people do, because, quite honestly, I think the Ministry of Consumer and Commercial Relations has not lived up to that side of the equation with respect to consumers.

I'm of the opinion that there is no longer the great consumer protection that was envisaged by previous administrations, both governments at the federal level and the provincial level, going back some 30 years with respect to the consumer and the role the government played in order to ensure that consumers were adequately protected from the marketplace, and to ensure that we had a marketplace

which functioned properly. The consumer is an important part of that equation.

I think it's justifiable to ask the minister and to ask this administration how, on the one hand, you protect consumers' interests when in fact you're providing services and raising revenues from those very same consumers. I just don't see that those two rules are compatible, quite frankly. The more this ministry undertakes to raise revenues, the less its interest is with respect to consumers and protection of those consumers. I've seen that. We've seen that over the last number of years. Therefore, I think it's very important for this ministry to bring forward consumer protection legislation quickly, because we've lost that focus. We don't see that any more.

With respect to consultation, there are problems that people have pointed out who find it difficult to consult with this administration in a variety of areas. Perhaps we don't see the extensive consultation that should have taken place. I've pointed this out to the minister in the House. Casino gambling: My God, where was the extensive consultation that was promised? I did not meet very many people out there in the client group who—charities were consulted, some of the stakeholders, the horse racing industry, but the public wasn't consulted on this, not in the very least. Yet we have a pilot project moving forward and no consultation on a broad base with the public.

I think that doesn't bode well in terms of the actual decision you've made to move forward with legalized gambling. If you wanted the public to be on side with this, then I think it was incumbent upon you to conduct the kind of broad-based consultation that would have made it possible to get support for this initiative, if that's what you really intended.

It's all fine and good to go ahead with a pilot project to better understand the impact that casino gambling will have, but I've got to ask the minister a rhetorical question; I know she'll answer this later on. If the pilot project is a failure and does not meet your expectations—by the way, we do not know what the standards or the criteria for success will be; you have not indicated what criteria you will use to assess the merits of this project. We're not going to know what "success" means. Should this not meet whatever criteria you've established—at some point you're going to have to do that; ie, how much revenue you produce—what then? Do you pull back from this project? Do you stop the train from moving forward? Because that's going to be awfully difficult.

I think it's a foregone conclusion that you have to move forward. That's what concerns me about the approach this government has taken with respect to this decision. They really didn't have a consultation process that allowed people in the province to participate, to really say to themselves: "We've discussed this now with the government, the people we elected. We've had an opportunity to understand what it is that's being proposed and what it is that's going to result in our neighbourhoods. We've heard from the government about the various impacts that will result, because the government shared that information with us."

I've asked the minister repeatedly, and in the House as well: What kind of impact studies do you have available to us? What impact studies have been conducted? You haven't come forward with any of that information. I don't even know if the government has conducted impact studies. I'm quite concerned about that, because this is a decision that I think we will find it difficult to reverse if in fact the experiment does not work.

I know that the people in Windsor, who were very much looking forward to this, want it to work. Therefore, I think we should have had information shared with us about the kinds of impacts and the kinds of revenue-generating potential there were and just what you expect from a pilot project in Windsor. You haven't shared that information with us.

I note that the minister had made some comment to various officials in the city of Windsor, their understanding being that revenue generated from the casino in Windsor will not be shared with the city of Windsor. Some moneys may be forthcoming to offset the cost of additional policing, but you're not planning to share the revenues equitably or with the local community in some other regard. They are, I think, somewhat disillusioned. They had higher expectations than that. I believe they understood there were going to be some revenue-sharing agreements in place. To the best of my knowledge, that is not the case, unless the minister can tell me different. I'm sure she will elaborate on that when she has an opportunity to respond.

As I say, the fact is that this is being driven by the government's desire to raise revenues. I feel—and this is the only comment I can make at this time—that we're not going into this with all the cards having been looked at: no pun intended. You either have that information and you haven't shared it with the rest of us—and that obviously does not produce the kind of cooperation which I think is required here if this is going to work and produce additional revenues and not have the negative consequences which many people have expressed concern about.

1640

In other jurisdictions, those impacts have been well documented. I made comment on those kinds of negative impacts in the Legislature and I think it really is incumbent on you, as the minister, to allay those fears that are out there. Perhaps the people in the city of Windsor are not looking at those with the critical eye other communities may have. But I still say to the minister that it's important, it's absolutely essential, that we look at all the various impacts that can result from the decision you've made, and, I repeat, you have not shared that with us to date.

I want to move on to some other areas with respect to concerns I have. The minister made mention of the office of the registrar general. In my opinion, this has been nothing but a nightmare for most of us who have to deal with that office. I've shared with our colleagues in the House from all parties concern about the level of service at the ORG. I know the minister made mention of her efforts to overcome problems with backlogs etc. I want to ask the minister: How many new staff were allocated to overcome the backlog? I don't recall your making specific numbers available in your comments earlier.

We really want to get to the bottom of this. I think it's a major concern for most people and, quite frankly, I can't believe the numbers you are relating to us with respect to the increases. Are we having a sudden, dramatic demographic shift in the population? Is there something we should know with respect to that? That wasn't quite clear to me. I want some reasonable, rational explanations for what's taking place up there, and to date I haven't been able to get to the bottom of this. I don't think for a moment that simply moving an office from Toronto to Thunder Bay would result in those kinds of terrible inefficiencies we've seen. I would like further, more specific information with respect to that.

I'll be asking more direct questions when we do have the opportunity to ask questions directly, because it impedes the work of most of the members of the Legislature when they can't answer their constituents about why it takes so long to get a birth certificate, why it takes months. I can't respond to the concerns expressed by the children's aid societies across Ontario. As of April, as I pointed out in the Legislature, there were over 600 outstanding requests for verification of live births. Some were dating back as far as a year. The minister knows this. I've mentioned it in the House when I've asked her a question about it, and I just want to emphasize this. This is really quite important to all those people. In fact, 93 adoptions have been held up because of the delays. I think that's completely unacceptable.

In fact, what I'm reading in some of my notes is that people have had to hire lawyers to try and speed up the process. It's costing them enormous amounts of money. For those people who are waiting for adoptions, it's a torturous process, and I don't think they should have to be put through that unnecessary delay—at least, it's not explainable in any way that is acceptable to me. I don't think we've ever seen this kind of delay in the past, and it needs to be corrected immediately. Minister, I know you referred to a number of things you said you were going to do and will get into further details about this, but I would like to see you really work on this problem, because it is completely unacceptable to me.

The Gaming Services Act was introduced and we're going to be dealing with it. In fact my colleague Mr Tilson had an opportunity to comment on it the other day. Unfortunately I wasn't in the House that day. I look forward to my opportunity to respond to the minister's introductory remarks, but I would like to say that we feel this has been some time in coming. Our party supports this legislation. We want to see it move forward and would simply like to say it's obviously going to help charities because, going back to the whole issue of casino gambling, they're left in limbo. We have no idea what's going to happen to charitable organizations. In fact, I've heard, and rumours abound, that the charities will not be part of the sharing of revenues to result from casino gambling. It was initially thought they would be, and we're now getting word that they're not going to be part of this.

Where does that leave charitable organizations, once we have full-scale casino gambling? Don't you for a moment believe that there will be negative consequences for the charitable organizations that depend so much on the

revenues they generate on casino nights throughout the whole province?

It's one thing and it's fine to bring in the Gaming Services Act to streamline the process and to iron out the difficulties and to enhance the opportunities for charities to add additional revenues to their coffers. Some of the changes that are in the Gaming Services Act will see to it that they are not shortchanged, that they will be better served by this act.

But on the other hand, with casino gambling, their sources of revenue are threatened, and you have not indicated, not in the least, what will result from that. I'm quite concerned about the impact on charities. If they're not going to be part of the revenue-sharing program you've agreed on with charitable organizations, then what are they to do when their revenues drop off? And I think it's fair to say their revenues will drop off once casino gambling is in place.

1650

It's very important for you to help me understand where the charitable organizations lie, where their future will be in this province with respect to gaming, and what the impact will be on bingo hall operators etc, because that has not been made clear. It's one of those things I have also repeatedly asked for in the House with respect to the kinds of impacts that will result. I can't say "very little information;" no information has been shared with us. I'd like to be charitable—not to use another pun—to the minister, but I can't find it in me to do that if I don't get at least one shred of information that helps me go along with the plans you have with respect to the Gaming Services Act.

It's very difficult, on the one hand, to say to people and charitable organizations that have high expectations with respect to this that you're going to improve their chances of revenue generation with the changes that have been implemented in the Gaming Services Act and at the same time bring along casino gambling and virtually reduce their prospects for increases in revenue generation that have been gained through this Gaming Services Act. So I find it terribly distressing to hear repeatedly from charities that they're quite unnerved by all of this and don't know what the future holds for them.

I'd like to also emphasize another initiative, and I think there isn't a person in Ontario I haven't heard from with respect to a \$50 filing fee that you've imposed. I know this was an initiative of our government with respect to the new registration mechanism, but it comes at a difficult time for small businesses in particular. Fifty dollars is an additional tax; it's an additional way to generate revenues for this ministry, which, I say, is largely now responsible for seeking ways to increase revenues for the government. It's another mandate that wasn't there before.

But it's a difficult time; I don't have to tell anyone here in this room. Fifty dollars may not seem like a lot of money, but it's an additional tax that is imposed after all the other taxes there. It's just one of those things that I think doesn't do any good for anybody right now, and I'd like to know why the \$50. Why not some other way of doing this which did not have to cost this much money? I agree with what we're doing; I just want to know why it costs \$50 for each business registration and what costs are associated with that.

I just want to go back to what I think needs to be said. As the Liberal consumer critic I have to make a point of saying this so the minister can understand where I'm coming from. When I talk about the new focus of this ministry, when I talk about the change in the mandate and the urgency with which this ministry seems to be moving forward to generate new revenues for the government, I have to just go back to what took place prior to her arrival and prior to this administration's being elected to office and cite the initiatives that were undertaken so the minister has an appreciation for what I'm saying.

Under our administration, the former Liberal government, we had a number of initiatives referring to these items: amendments to various pieces of legislation to create uniform province-wide standards for the inspection and operation of amusement devices such as go-karts; legislation to ensure the best possible protection for Ontario's travelling public; to facilitate the ministry's dealing with failed or failing companies. These are all things we introduced and I want to put these on the record, obviously, because I think our accomplishments are in stark contrast to what has taken place since. Legislation to increase protection for consumers entering into prepaid contracts with health, fitness, diet, modelling, talent, sports and dance clubs—in fact, there's a whole list of things, which I'm not going to continue to detail because I know that members are hearing long dissertations from each of us. But I'm so tempted to read them because they're quite long and extensive. The accomplishments of the previous administration with respect to consumers, the initiatives that were undertaken, were long and varied.

I would also like to ask the minister this. We had draft legislation, as an administration, that was sitting on the shelf, and a great deal of consultation took place with respect to the draft legislation under previous ministers. I can't understand why the minister did not move quickly, as one of the first priorities of her ministry, to introduce consumer protection legislation. As I say, there was draft legislation in place. You could have come into office and conducted consultation to change it somewhat, change the focus, but at least brought it forward.

As I say, it's good to hear that you're bringing legislation forward—at least that's what you say today—some time in 1993. But I'm not convinced you're going to do it, and that is something that obviously we're going to hold you to. I'm certain that when next year comes—I know you can't bring forward legislation now; the agenda is so blocked up. But it has got to be a priority and it should have been done at the beginning. There's absolutely no doubt that should have been a priority of your ministry, in fact of your government.

I want to just touch on—

The Vice-Chair: You have two minutes, Mr Cordiano.

Mr Cordiano: Okay. Just to complete my remarks, I'm unable to talk about the LCBO. I noticed that the chairman is here today, and I want to commend the LCBO for some of its efforts to improve efficiency and offer consumers better retailing facilities. But I have concerns with respect to the undercurrent, the views that have been taken

by some people that there will be an effort on the part of this administration—now, these are rumours, but I want to ask the minister if the rumours are true that we're going to move into a new regime where the LCBO is portioned off and sold.

Agency stores we can live with. I think you've changed some of the criteria with respect to those agency stores, but I also think that in doing this you failed, under the regime that certainly will come under Bill 40, to consult with the union. At this time they are quite upset, from reports that I have. They're concerned with the privatization efforts that are going to be undertaken and they have not been consulted. I would caution you to consult with them if you're going to move in that direction. My time has come to an end.

1700

Mr Tilson: My remarks hopefully will be brief. The Ministry of Consumer and Commercial Relations, with the exception of the Ministry of Revenue, is the only revenue-generating ministry in Ontario. I think, as we're going through our questions and answers in this exercise, we should keep that in mind.

In the 1991-92 fiscal year the ministry estimated that its revenue from fees would be over \$175 million. Its actual revenues were \$147 million, so it really fell short by about 16.4%, which is \$28.7 million.

For the 1992-93 fiscal year the ministry has estimated its total revenues at \$158 million. This is a decrease from the previous year's estimates of \$17.7 million or 10%, so the total amount to be voted for the ministry is some 25% less than was voted on for the previous year's estimates.

I know as we flip through the estimates we see the words "fiscal constraints" and I'm sure there'll be other reasons as to—however, revenues are down, and one of the first questions we'll be asking in all areas is, are services down? Madam Chair, I would like to get into the questions-and-answers portion of this exercise fairly quickly.

The concern we have on the Progressive Conservative side is the policies this government is proceeding with and the effect they're having on this ministry. You look specifically at such areas as Polaris, which was first thought of in the early 1970s—I think it was 1974—but it's quite a different creature now than it was as originally thought of. The original idea of Polaris was to computerize a strange land registry system, and I think we all would support that. But now we have a different system which was thought up by the Liberals and implemented by this minister. The Liberals have this new word "partnership," which is rather a strange thing for a socialist government to get into, to be holding hands with private enterprise in such a venture as this.

As you know, Madam Minister, I've had a great deal of concerns with the accountability of Teranet, the whole control of our information—when I say "our," I mean the public's information—and what these unknown people are going to do. I know you're going to say that Real/Data, or whoever it was, released the shares, but we don't know anything. Most of them are held by lawyers, presumably in trust for somebody. So there are a lot of unanswered questions.

The press have had a great deal of difficulty trying to talk about it. It's a very complicated subject to put forward. I know you and Mr Daniels came to the public accounts committee and we spent a day on it. Of course, much of it is shrouded by the privacy legislation, which is a neat trick, but the whole issue is one of accountability and I would like to spend some time on that during this session, as I'm sure you anticipated.

The whole subject of casinos, even the Liberals didn't think up this one; this is one of your creatures. This is something you've thought out. I think you're going to have to tell us how you're going to put forward these policies. What is the effect on the horse racing industry? What is the effect on the charities? How are we going to affect the addiction problems? When we got into the whole subject of lotteries, members on your side, members of your party, stood up when those were introduced and said oh, it was a terrible thing. Your ministry and you particularly, Madam Minister, have been specifically silent on that whole subject.

The registrar general subject of birth certificates which has been moved up north, of course this is something else that was thought up by the Liberals and you've pushed it forward. It's been an absolute disaster. You talk about all the wonderful new computer technology and how it has become more efficient; you're going to have to tell us about that, because it's inexcusable why certificates should take so long to be produced. Why is it more efficient? I can tell you it's not efficient; it's terrible and we're going to have to spend some time on that.

I'm also concerned about the whole subject of security recently—this came out about a year ago—where people in the ministry were getting all these birth certificates of dead people for the purposes of illegal immigrants. I understand charges have been laid, and I know you can't talk about that, but you're going to have to spend some time talking about the whole security of it. We have grave concerns about what's going on in the offices of the registrar general.

There is of course the corporate registration fee. Again, that is something else thought up by the Liberals that you're implementing. I don't know why you're doing it now, why you're doing it at this time, when the economy's so terrible and companies are having such a difficult time. In the correspondence that's come into all of our offices—and I'm sure, members of the committee, it's come in—people don't understand why you're doing it. I know you've talked about: "Everybody else does it and why can't we do it? We're implementing new computer equipment and therefore we've got to charge." But what a terrible time to do it. How efficient is all this going to be?

A number of stories have come forward of the privatization of LCBO. Mr Brandt is here and we'll have to talk about that. I know it's been denied all over the place, but now is perhaps the time we can talk about that and the layoffs that have been suggested. There have been press stories of staff freebies and other interesting allegations.

On the subject of registry office closings, which we spent some time on last year—there were a number of hours spent in at least one committee talking about the

registry office closings around this province—you're talking about the efficiency, of how it's become more efficient and how now people don't have to travel to two offices, now they can go to one. You obviously didn't listen to the hearings, because delegations came about the fact that it's going to cost people more to go through that service.

I think we're going to have a series of questions talking about the renovations to new registry offices to allow, for example, for the moving of the Arthur registry office to Guelph. I think that was one of the offices moved. Obviously some expansion has gone on in these newer offices. What does it cost the taxpayer? What is the saving? What is the loss of jobs? What does it cost to train new people? You're going to need new people.

On the used car sales tax subject, I think we should spend some time on that, the bureaucracy that entails. You talk about the appeal process. I can tell you there's a whole group of people out there who are very concerned about selling used cars. One used car might be quite different from another used car, and just picking it out of your Red Book or whatever, your green book, whatever colour your book is, is a very difficult procedure for tax grabs.

I would like to ask some questions specifically on the whole subject of personal property security, the new bill—I forget the number—that was passed. You're talking about how the banks now will have more access to this equipment. I guess the difficulty is, what happens to the little guy? Is the little guy going to lose out? What fees are going to result from going to a bank?

Mr Chairman, I don't wish to spend the time that the minister has spent. I believe I've spent less than 10 minutes, between five and 10 minutes, and I would like to use my time in the question and answer period that will follow.

Mrs Margaret Marland (Mississauga South): Mr Chairman, I want to indicate to the critic for the third party that he is entitled to his full half-hour and therefore would have a credit of 20 minutes if he doesn't use it at this time, I understand from the clerk.

1710

The Chair (Mr Cameron Jackson): Well, that is at the pleasure of the Chair, in all likelihood. If that were the pleasure of the Chair at the moment and that was communicated, then let's proceed. But if that's the case, Minister, I understand you have eight minutes of time remaining to you if you wish to use them now; if not, then we will proceed. How would you like to proceed, Minister?

Hon Ms Churley: I wanted to have an opportunity to discuss the process. I don't know how you've done it in other meetings, but before we get into questions, is there a possibility that we can establish time frames or days for particular divisions? As you can see, everybody is sitting here, in a sense wasting taxpayers' money, waiting for their time to come up. If there's a possibility, can we arrange some kind of process by which some people can go and do other work and come back?

The Chair: That would be helpful. I don't know if the process of examining expenditures of the government is a waste of taxpayers' money; that may not be the view of the Chair.

Hon Ms Churley: That's not what I meant, Mr Chair.

The Chair: I know you didn't. That's why I'm pleased we're able to clarify it.

What I think the minister's asking is, how do we wish to order up our time? If you wish to do that now, the Chair will entertain how you wish to order up your time. If we wish to do that now and that helps the minister, that's fine. How do you wish to proceed? Do you wish to do time allocation or do you wish to do it by specific votes? If there are any special requests for individuals to be here—to my knowledge, the Chair has not received a written request for any individuals to be here.

Mr Tilson: The difficulty I have in choosing particular areas is that it may well be that if we ask a question in one particular area and then those people are gone, some time later on if we ask further questions in another area, it may result in further questions. It would certainly put us in a very difficult position in properly receiving answers to those questions.

The Chair: Do any other members wish to comment?

Mr Cordiano: It's somewhat difficult, at this point, to try to divide that time up within slots. Perhaps 20-minute intervals where we rotate is probably the way in which committees have always proceeded in estimates. It's difficult for me to make a commitment that on such and such a day I will be here and I will be granted two and a half hours of whatever's remaining, divvying up the time that way. I don't see that we can proceed that way.

The Chair: There are some scheduling matters. I'll clarify it further.

Mrs Marland: As someone who does have questions also of this ministry, and speaking for our colleagues who are not here, I think it's very important that we have flexibility. I respect the fact that the staff are tied up, but that's all part of the process that we have to accept for this worthwhile review of estimates. The whole procedure is accepted. That's a matter of fact, and I hope we will proceed on 20-minute rotations by caucus. We have nine hours. We have, interestingly enough, an hour and a half longer on this ministry than we did on the second-biggest-budget ministry in the government, namely Community and Social Services. I think it's important that we not tie ourselves down to a commitment of which department, which day.

The Chair: I am hearing that in the seven and a half hours remaining, there are two issues. There is the matter of how we rotate, and I sense that you've made a consensus decision about time allocation per caucus, so that's how we'll proceed.

With respect to the matter of the ministry being able to bring certain individuals forward, I must suggest at the outset that the Chair has not received any formal requests for individuals to be here. In fact, the ministry and the minister have asked various people to be here; I wish to thank the minister and her staff for doing that. Some cannot be here because their scheduling requires that they be elsewhere, and frankly, we did not start our estimates on the day we expected, because we were able to complete the previous estimates sooner.

Having said that, the Chair has been advised of certain individuals who will not be available, and I'll share those with you. On October 28, Frank Drea of the Ontario Racing Commission will not be able to be with us. On November 3 and 4, James Breithaupt is unavailable because he has hearings in Ottawa on these dates.

It is helpful to the Chair if members can indicate which members of staff or those schedule 2 agencies and, more particularly, who they wish to hear from. However, if I do not hear of those requests, then we will be bound by their availability, since I have not received any special requests at this time.

Hearing no comment, Minister, is that helpful?

Hon Ms Churley: That's fine.

The Chair: You have your eight minutes now to use as you wish, and then we'll proceed in rotation with Mr Cordiano for a 20-minute segment.

Hon Ms Churley: I would like to start my eight minutes by saying that obviously I can't respond to many of the issues that were brought forth, and I'd like to thank the members for the concerns raised. I look forward to the question period of this process to be able to answer more fully. I'll just address a couple of the issues I think stood out in particular.

As to the comment that this ministry has not been able to see the forest for the trees kind of thing and that we're not doing consumer protection, I really want to clarify that. Since I've been in this ministry, we have been focusing in a number of areas, and I'd like to point them out at this time.

The Gaming Services Act, Bill 26, for instance, is very much consumer protection. It's regulating the sector so that charities and the players are well protected; that is, it's a consumer protection issue.

The condo act: Again, a large part of that act is specifically to protect consumers, because under the old act, as to disclosure, voting rights, all kinds of things, the consumers who live in condos are really not being well served.

The Real Estate and Business Brokers Act review is by its very nature, the fact that we're doing that, helping to protect consumers.

The curbsiders: This bill is very specifically to help protect consumers who are buying used cars. It's well documented that there are consumers who buy cars that have liens against them where they are not given full information and they end up being liable after the fact. Again, that's very much a consumer protection measure.

The fair marketplace code, which I want very much to introduce: We have to have a strong economy in which consumers can feel confident, and in order to do that you need a level playing field. That's why I think the business sector is so involved in the consultation and has been all along.

One of the issues around that, and I've said it before in the House, is that it's true that the Liberal government had produced a draft bill, but the marketplace of today, even since that time, is rapidly changing and we had to look at it again. Obviously, there was a good consultation group in place, and we want to continue that relationship and make sure it's well involved in the process as we make the kinds

of changes I believe need to be made. I certainly look forward—at least the Liberal Party has expressed a keen interest in getting this on the table—that when it's time to get it on the House agenda, there will be full cooperation in making sure we move through other issues and can get to it. Hopefully, of course, the Tory party will cooperate in that regard too.

Mr Cordiano: They always cooperate.

Hon Ms Churley: They always cooperate, right.

With regard to casinos, there's a lot to say about that, and I'm sure we'll talk about it again later. I want to emphasize that the pilot project is that: It is a pilot project. There's no other jurisdiction we have looked at that is quite like Ontario, and we are going to be working with the people of Windsor so that, in our careful and controlled implementation of this, we will be looking at the impact. That's the very nature of a pilot project and Windsor is well aware that it is part of a pilot project and has agreed to do that. At the same time, in the process of developing the casino, and after it's up and running, we will be looking at establishing criteria by which to judge that casino. We're going to learn a lot from that.

I'm not keeping track of my time here, but I'm sure the Chair is. I'd like to clarify some information about the special filing of corporate information. Ontario is the only jurisdiction where there is no fee for annual filing. Our database is incredibly out of date and it is used by thousands and thousands of businesses every year. Then there is an added cost to those businesses and consumers who have to use this information when it is inaccurate.

1720

I believe, from what we've seen, that it costs businesses more down the road when they're spending staff time searching and trying to verify corporate information when it's extremely out of date. The reality is that it was at one time phased out—what year was it? 1976—the requirement was dropped, and our database is in a terrible mess.

It's unrealistic to expect that the government, the province, can update this database and make it available without charging a fee. We have to cover the costs of doing so. The costs we have looked at in other jurisdictions—and I'd like to point out again that we are the only jurisdiction not doing so—are quite compatible with the fees we're charging. I think we're going to find that we will get our database cleaned up, it will be accurate and it will work for businesses. I think it's just going to show that it will aid and help the corporations down the road.

I think that is all I'll say at this point. Perhaps we can move on to questions, where I'm sure I can address more specifically the questions that people want to ask.

The Chair: Very good. Just by way of explanation, I want to apologize for my absence, but I had an appointment in the Speaker's office. Just by way of further explanation, I understand the minister came prepared with a 52-minute address and there was consensus that this would proceed. I wish to—

Mr Tilson: No, there was no consensus.

The Chair: There wasn't? Well, without turning it into a debate, I have instructed the clerk to notify the remaining

ministries that our standing orders are very specific. I don't raise this, Minister, to embarrass you in any way.

Hon Ms Churley: I'm not embarrassed.

The Chair: Fine, but I've instructed the clerk to notify the remaining ministries that our standing orders are very specific. Each party is given 30 minutes and there is a right of reply of up to 30 minutes for one individual. We have seen a gradual erosion of this with the last three ministries. A pattern is now evident and my ruling is such that we'll be instructing the balance of the ministries that they will be cut off after 30 minutes.

I just wished to bring up some business, but I've instructed the clerk to proceed on that basis, so if there is any after that which is to be communicated any other way than by official letter—now, if I may, we've agreed on how we will proceed with the remainder of the time. We will stack our votes till the conclusion, when the committee determines we've completed. I thank the minister for advising us of the absences of those individuals who, in her opinion, were here to be helpful to the process.

Mr Cordiano, we'll give you a 20-minute segment. Is that okay with you, to begin?

Mr Cordiano: Yes. Am I to understand that during that 20 minutes the minister will not respond, or is there a rebuttal allowed?

The Chair: Yes, if you raise a question and ask for a response from the minister or any specific staff, you can either ask for specific staff, who will then come forward and identify themselves for Hansard, or you may ask the minister to get the question from staff, or alternatively you can ask that the minister get the information and bring it forward during estimates, but not at this time. Those are your options.

Mr Cordiano: Okay. I would very much like for the minister to answer some of these questions if she can, or provide information as readily available as it is. If it's not, then obviously provide us with the information at some point in time.

In this segment, I want to get into the pilot project in Windsor and I'm going to be looking for some answers. You've decided to move ahead with this, and as I said earlier in my opening remarks, we have virtually no information about what you intend to do despite the press conference that was held. I don't believe any indication was given about what the cost to establish the project would be and how much has been spent so far with respect to the casino project team. In fact, if you provide those figures, are those figures reflected in the estimates?

Hon Ms Churley: Maybe I should answer your second question first. You wanted to know how much the project team has cost. The details are that as of June 1992, basically the total allocation for the whole project team is \$2,507,700. That is correct.

Mr Cordiano: That's for the whole project team?

Hon Ms Churley: Yes.

Mr Cordiano: I shouldn't raise it to this level, but I was tempted to ask if that includes the trip to Las Vegas. I'm sure it does.

Hon Ms Churley: Yes, that would include all the consulting work that is being done by the project team as well as the conference the project team attended at that time.

Mr Cordiano: The reason I raise that is because there's a real purpose behind it. I think it's fair to ask, if you had no intention of moving in the direction of a Las Vegas-style casino, which I think you clearly indicated during your press conference, can you explain to me what the nature of that investigative trip was? What was the intent of the people who were there? Were they to examine the whole gamut of casino gambling? Is that what took place at these conferences?

These experts, so-called, assembled at Las Vegas probably have an expertise in Las Vegas-style gambling, so sure, I'm going to be cynical when I'm asking that question. I think people out there in the province want to know the answer to that, because it comes completely contradictory to what your stated intentions are.

Hon Ms Churley: No, it's not at all a contradiction. There was a global conference held at that time where there were experts from the field ranging, I suppose, from dealing to how to start up to anything in between. It was a conference with experts from all over the world. We have to be able to talk to experts who have some expertise in this area and it's a matter of bringing some of these experts here or, when we can, sending members from our project team to conferences that are taking place. The members who went were able to go to various workshops and meet various consultants and experts in different areas and were able to gather information all at that one event.

I'd like to take the opportunity, however, to introduce Judith Wolfson, who is my deputy. Perhaps she can give you a more fulsome answer on the project team's activity at that time.

1730

Ms Judith Wolfson: Part of the exercise in commencing a project of the magnitude of casinos, and indeed one in which we do not have a wealth of experience at this point, is to put together as much information as we can, as quickly as possible. Clearly, one looks to the jurisdictions which have the greatest expertise in the area. As we well know, Nevada has great expertise indeed. One has to know what the situation is before assessing what a made-in-Ontario model is as opposed to other models.

Our project staff attended a conference on various issues: financial models, operational models, policy issues, policing issues, regulatory functions and really the gamut of issues that one has to address in dealing with a casino implementation, in order to get the knowledge that is available and the expertise available. It will be necessary for us to have that kind of expertise in order to create a made-in-Ontario model that fits our needs.

Mr Cordiano: Can I ask you, then, would there be any of the information that was gleaned from this conference available to the rest of us to make the same kinds of assessments? If they've got information from this conference about the whole variety of impacts—perhaps I should catalogue them here. We've asked questions of the minister with respect to the impact on policing, the impact on

gamblers who will be addicted, the impact on the variety of other social issues that will come up as a result of this, the impact on tourism and the impact just with respect to revenues.

There's a whole list of things which we are very interested in, and we can get into them in just a moment, but I simply ask, will that information be made available to the rest of us, since it would be important to know what those impacts will be, if that information is available?

In addition to that, if in gathering your information it's appropriate to venture off, then in addition to that I'm sure you will be consulting with other experts. I'd like to know who you are consulting with directly at this time and how much money you plan to spend on that.

Hon Ms Churley: There were a lot of questions asked then. First, let me point out and be clear that the work this team is doing will benefit any future casinos, if indeed there are any; it's not just Windsor. Bear in mind that this particular conference we're talking about dealt with operational-type issues. In terms of the consultations that have been done, I'm going to again turn that over to my deputy, who may want to get one of our project team to step in here too.

Ms Wolfson: I think it would be helpful to call assistant deputy minister Whipple Steinkrauss and Domenic Alfieri, who's the assistant deputy minister for the project team, who are sitting right at the end. I think they could assist us with the specifics.

The Chair: Welcome. Perhaps you'd please just introduce yourselves for Hansard's record.

Ms Whipple Steinkrauss: I'm Whipple Steinkrauss, the assistant deputy minister of business practices.

Mr Domenic Alfieri: I'm Domenic Alfieri, the assistant deputy minister of the Ontario casino project.

The Chair: Welcome. Mr Cordiano, they're in your hands.

Mr Cordiano: I simply ask, what outside consultants have been hired by the government? Who are you dealing with in terms of that kind of expertise, which no doubt you're trying to seek out now, if in fact you've made efforts to do that, and what kind of expenditures are we planning here?

Ms Steinkrauss: I'll speak first to the expenditures. I was involved in the earlier stages, and I'm not as involved at the present time. The budget the minister referred to, the \$2.5 million, will cover all of those consulting budgets. Very little has been spent yet of that budget as we're just working on gathering a lot of this information now, and as a result spending is not high, but we did budget for that.

The \$2.5 million covers salaries, it covers all the preliminary work in terms of gathering information to do cabinet submissions and some of the work subsequent to those cabinet submissions that will need to be done. It is important to make the distinction that the early work done was in preparation for cabinet submissions. Of course, information is privileged information. However, we will be doing a lot of work as part of this pilot project and that information, obviously, will be available as we work on it.

Once we're past that cabinet submission phase, we still have another step to go.

Mr Cordiano: Am I to understand then that really what you're going to depend on for information is what you gather in coming out of the pilot project, and that initial preliminary kind of work has not really been done? I've asked the minister, on a variety of occasions, for impact studies. What you're telling me here is that you don't have those.

Ms Steinkrauss: I would say preliminary studies were done. In putting together any cabinet submission, a number of preliminary studies were done. However, there is much more work that will be done, and the decision was taken to go the pilot project route simply because of the very unique situation Ontario is in. For example, if we look at the impact on other sectors, we are the only jurisdiction with a \$1-billion-a-year-plus charitable gaming sector, so we can't look at other jurisdictions and say, "What's the impact?" It just isn't there. There's nothing comparable to the Ontario situation.

Mr Cordiano: Do you mean in terms of magnitude or experience?

Ms Steinkrauss: Both. There are very few jurisdictions that have anything comparable at all, and if they do, it's very small-scale. So in fact a lot of the information that's gathered is in a situation where you have one race track and a casino or something like that, which doesn't help us make the kinds of decisions we want to make.

Windsor is very useful because we can look at all those variables and start measuring them as we develop the pilot project and as it proceeds. We looked at and we did get much of the information. We gathered all kinds of reports and we looked at the US and Europe and so on, and they're simply not going to give us valid information that would be suitable for Ontario. That's why we're proceeding with this particular approach.

Mr Cordiano: What you're telling me essentially, Minister, is that you really don't have any impact studies. Impact studies can be conducted without actually having data from the field you're going to have with respect to a pilot project. There are people who conduct impact studies doing just that, projecting what might happen, and that's exactly what I'm asking for.

I don't think it's been made clear here with respect to that kind of study, which is just that: It's a study. It's a projection; it's an estimate of what can happen. It doesn't mean you're going to have actual experience to measure, and that's the distinction I am attempting to draw here, that you're actually moving ahead with an experience rating which will be conducted in a pilot project way. That's vastly different from first conducting impact studies which people do based on a variety of assumptions. It's like simulating what might happen. That's what I'm trying to get at here, and I don't think we have any of that.

Hon Ms Churley: I understand what you're saying. First of all, let me say that when we announced in the budget that we were going to proceed with casinos, we had at that time determined that other jurisdictions in and around Canada were looking at casinos, and certainly

that's an impact in itself. Border towns had requested us to look at it, particularly in light of the fact that other jurisdictions are looking at casinos and in light of the fact of cross-border shopping and all those things.

As I said, that is an impact we had to look at very quickly. I don't have to point out to you, because of free trade and because of other issues in this global economy right now, that border towns are hurting. So we made the decision to proceed with casinos, and we undertook a number of activities at that time. We have been discussing, and will continue to discuss, the possible impacts of casinos on groups that could be affected directly or indirectly.

1740

Mr Cordiano: But you see—

Hon Ms Churley: Wait a minute, though. We've talked with numerous groups in the racing industry, as well as with charitable organizations, municipal representatives and law enforcement agencies. We've done that sort of thing and we've conducted a regional assessment of the province based on some criteria such as magnitude of job creation opportunities, the need for economic development kinds of criteria and potential impacts on other forms of gaming. We have done some of that for the cabinet submissions.

Mr Cordiano: In other words, you do have some studies that have been conducted. I'm simply telling you, and I think this is rather reasonable, when someone undertakes to make a major initiative like this occur, you would attempt to find out all the information that could be available, and also you would attempt to project what might occur with the best and most relevant information available. I'm simply saying that in this case it seems as though that was not undertaken and if that's the case, you're relying on the pilot project to give you that information.

I'm saying it's like putting the cart before the horse here, because if you had done impact studies to really give you the kind of information I'm requesting, you would have been able to point to some of those as indications outlining where and how to proceed. I think that would have been much more useful than announcing a pilot project and not having any idea.

It comes back to this: What if this does not succeed? Are you going to pull all that money out of Windsor? Are you going to close the pilot project down and say: "This has been a dismal failure. Where do we go from here?"

I think the people in Windsor are going to be outraged. I don't think there's any pulling back. This is the point I'm trying to make.

Hon Ms Churley: I think in the process of making a decision to go ahead and establish casinos, some preliminary work was done, and we have enough information for us to decide to go ahead and start a pilot project; as we keep saying, careful and controlled implementation. We believe that is, however, what a pilot project is all about.

As my deputy said earlier, in many ways, in the process of gathering information, it is very hard to take all of that information and apply it to Ontario, for numerous reasons. From the information we have in Windsor, we have reason to believe the casino will succeed. We will be establishing it and working closely with that community to assess that

in terms of job creation, in terms of it being crime-free, in terms of economic help for that community. Those are the kinds of things we have done and will continue to do. We'll be continuing this.

We've not done any formal studies per se as yet, but we have done extensive research for the purpose of cabinet discussions.

Mr Cordiano: Do you plan to do formal studies with respect to this, or is it just going to depend on once the pilot project is up and running? That will take some time, and then you're going to do your own assessments on that. That will take several years, and we really won't have any kind of information available to the rest of us.

Hon Ms Churley: First of all, I think we'll have to see what happens with Windsor. We will, at some point along the way, soon be establishing criteria and we'll be looking at that to see where we need to go from here.

I think my deputy is anxious to say something here, so I'll turn the floor over to her, if that's okay.

Mr Cordiano: I think we're running out of time, but—

Ms Wolfson: If I can, I'll just ask Mr Alfieri to respond specifically to that.

Mr Alfieri: A very valid question, but given the nature of the pilot, it's necessary to resolve this with our colleagues in the city of Windsor.

The minister and the project team attended a meeting with the mayor and senior officials of the city last week. I and the rest of the senior staff of the project team have already scheduled a meeting with the city administrator and other city officials for this Thursday. We have a 12-item agenda which virtually covers all of the issues that have been raised, all the way from how to communicate and consult on various issues in Windsor to what criteria for evaluation of the project should be established in advance of launching the project, so we will know ahead of time the kind of economic impact, social impact, traffic impact, impact on the industry.

I will be meeting with the president of the racetrack there, because they have concerns, and every study about casinos and racing, for instance, has always been done from the perspective of competition. We have an opportunity there to do one from the perspective of collaboration, and I think we need to sit down with them and see how the two entities can work together, as opposed to competing with each other. So there's a novel way to approach that, and we want to do that.

The potential impact on social agencies, on the police—the chief of police was at the meeting we attended. There's a special committee dealing exactly with those issues, so all of the issues that you raised are in fact on the agenda. The first meeting is this Thursday, when we hope to agree on our course of action around each of these items and then set up teams to address each of them in a collaborative way.

We have to put in place a casino that is in keeping with the wishes and the aspirations of the province but also of the local municipality. We feel we have to work together with the city to develop the answers to all of the questions,

which are valid ones, but we need to move towards the solution in a very methodical way.

Mr Cordiano: You said you're going to consult with local officials on this agenda. Is revenue-sharing going to be part of that consultation process with the local officials? That has emerged as a major concern of local residents and officials in Windsor. Would you be able to clarify that for us, make it clearer for those people in Windsor?

Hon Ms Churley: When we met recently with the mayor and other officials in the area, including the police chief, that was a question that I believe came up later with the press, if I recall correctly, rather than at the table. Obviously it's an issue that would have to be discussed. The government, when it made its announcement, said at the time, and I still accept this as the direction in which we're going, that the town or the city that has the casino will get large spinoff benefits, the hotels, motels.

Mr Cordiano: What about revenue, though?

The Chair: Mr Cordiano, we are moving into Mr Tilson's time. I don't wish to interrupt your excellent questions, but you have run out of time.

Mr Tilson: I'll continue on with the subject. I get the impression—and my questions are directed to you two—from what you are saying that the whole concept of this Windsor experiment is almost trial and error, that you have no impact studies, you have no real concept as to which direction you're going. Am I correct?

Mr Alfieri: Yes, we do. The understanding we have is that we're going to establish a casino in Windsor and that the model of management and the model of operation—the size, the scope and everything else—has to be done in consultation with the city officials in Windsor because it has to reflect not only what the province wishes to come out of this but also local conditions.

Just to elaborate a little bit, for instance, just on an economic impact study, one could do a general province-wide one or one could sit down with the city officials and discuss about the need to establish baseline information both in operational and implementation decisions, all the way from information on traffic patterns, including border flow, existing hotel capacity, restroom capacity, real estate profiles, to assessment of the current hospitality industry, workforce profile, charitable gaming activity in the area, because there was a concern about the impact of that, existing social services—can they cope with any potential difficulties emanating from the casino?—training facilities etc.

So it's not that we don't have an idea as to where we are going. We have a very good idea as to where we are going. There has been an agreement that this will be done not by ourselves in isolation, but that since the casino is supposed to go up in Windsor and it's supposed to be accepted, if you will, in the community, we will be doing this in consultation with Windsor officials and the community in Windsor, all the way from the racetrack to the charitable organizations, the social service facilities, the police etc. So we know where we are going; it's just a question of determining the best way to get there, in consultation with our partners.

Mr Tilson: I understand what you're saying. When there's a gambling casino in place, obviously those are grave concerns. Can you tell me what your initial step will be? How do you intend to implement the Windsor experiment?

1750

Mr Alfieri: I can do it in broad terms today, because I don't want to pre-empt what's going to happen Thursday and subsequently. I think once we sit down and discuss this agenda with—and I have sent this to Hilary Payne, who's the CEO in Windsor. He's reviewing it this morning; hopefully by this afternoon he will have added any items they wish to discuss. We are going to engage in a round of consultation around the various issues I have addressed. We are going to sit down, for instance, and determine the best way to set up an evaluation mechanism and the criteria for evaluation. We have to talk about the criteria for site selection, all those things.

Mr Tilson: You misunderstand what I'm saying. What type of gambling casino are you suggesting would be put forward in the city of Windsor?

Mr Alfieri: The type in terms of—

Mr Tilson: Who's going to run it? Is it going to be government-run, for a start?

Mr Alfieri: There are three or four options that we will be putting forward to the minister, and I guess subsequently to cabinet, about the various options that are available, ranging all the way from government-owned and government-operated to other models.

Mr Tilson: What other models?

Mr Alfieri: There could be a government-controlled private operation, there could be joint ventures, there could be setting up of a board or commission that regulates the system and another agency that runs the system. There are a variety of models across the world that we will be looking at.

Mr Tilson: In short, at this particular point in time the ministry really has no idea as to the type of gambling casino that's going to be put forward in Windsor.

Mr Alfieri: In terms of management and operational model, we do not have a decision as to which model will apply to Windsor. What we are currently doing is reviewing each of the potential models, determining the pros and cons, discussing with Windsor officials what they would like to see and then going to the minister over the next six to eight weeks with an articulation of all these options and projecting discussion on what we feel should be the preferred option.

Mr Tilson: To continue, when you reach that point will the minister be putting forward a bill or will there be a regulation of an existing statute? This isn't a trick question; this is an easy question.

Hon Ms Churley: I think it has to be an act.

Mr Tilson: My question to you is, do you propose that this will be implemented by a regulation of an existing statute, or will there be a new bill?

Mr Alfieri: I'm answering you with one week's experience on the project. My understanding is that the intent is to come up with a separate bill and not a regulation, that there would be specific legislation to provide for enabling the province to operate and manage casinos.

Mr Tilson: The minister indicated a time frame in her press conference. Can you give us any idea as to what the scheduling will be for that?

Mr Alfieri: I can give you some idea as to when we propose to get to the minister; I can't deal with the cabinet agenda. My feeling is that we should be able to go back to the minister to enable her to go before cabinet with three or four key decisions that would determine the shaping of a bill.

Mr Tilson: I know the shape of the bill. I guess my question is the time frame.

Mr Alfieri: We hope to do that by mid-December, sir.

Mr Tilson: So you will be in a position to recommend the introduction of a bill in December.

Mr Alfieri: To recommend the content.

Mr Tilson: I guess I get back to how you will arrive at that point. There are all kinds of experiments all over North America. So far there appears to have been a junket to Las Vegas, or wherever you were, to Nevada, for a conference to study gambling casinos. Is that the extent? What else have you done? Anybody.

Ms Steinkrauss: If I could speak to that, first of all the staff have consulted extensively with all the other provinces in Canada that have casinos and looked at those models.

Mr Tilson: Could you elaborate on that?

Ms Steinkrauss: BC has casinos, Alberta has casinos, Manitoba has casinos, and they have very different administrative structures and styles of operation and so on. Those have all been looked at. We've also received from—

Mr Tilson: If I could stop you right there, how did you look at them?

Ms Steinkrauss: In each one of them we looked at what sort of regulatory framework they had, what kinds of operational models would be possible under those frameworks and so on. As we're looking at different models of operating casinos, you need different types of frameworks. In some cases you have essentially a permanent casino, with charities meeting—if you think of something like the CNE, you have a year-round casino with different groups coming and licensing. That's one way of doing it. Another is to have a casino that's directly run by government, as you have in Winnipeg. In British Columbia you have a casino where you have small operations which do not include slots that are operating; they have, I think, about 18 small casinos. They're quite different models. So those are all possibilities. If you had something which had major private sector involvement, you'd need a very complicated regulatory scheme, for example, as in the major US centres.

Mr Tilson: Do you have the reports from the different provinces that you obtained this information from?

Ms Steinkrauss: We have information on the structures that are in place, and that's obviously in the public realm, all of that information. There are also reports available.

Mr Tilson: Can you make that available to us?

Ms Steinkrauss: Yes. Of course, that's simply whatever statute they have and whatever structures they have. That information certainly is already—

The Chair: You would make that request through the Chair.

Mr Tilson: Yes, I am. I'll make the request of you, Mr Chairman.

Ms Steinkrauss: Yes. It's public information.

In addition to that, for example, we have a summary of the whole regulatory framework in the United States for its very elaborate scheme. We can learn from all those documents as we develop options for Ontario. It's not as if nothing has been done that's—

Mr Tilson: I guess the concern is that we hear of studies that have been done in the United States specifically

surrounding the horse racing industry, lotteries, and how you have a gambling casino running side by side with the horse racing industry and how the horse racing industry has literally collapsed. There are studies available throughout the United States where that has occurred. Do you have those studies?

Ms Steinkrauss: We have some of those. One of the reasons—again, we're looking at them—is that there are other jurisdictions where the industry has collapsed with or without the casino being there. It's very difficult to establish the causal relationships between those.

The Chair: First of all, I'd like to advise members that we are being called to the House for a vote. I'd like to thank Ms Steinkrauss and Mr Alfieri for their participation.

This committee stands adjourned until 3:30 tomorrow, October 28, at which point we will recommence. We have six hours and 40 minutes remaining on the estimates for the Ministry of Consumer and Commercial Relations. This committee stands adjourned.

The committee adjourned at 1758.



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STANDING COMMITTEE ON ESTIMATES

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- *Rizzo, Tony (Oakwood ND) for Mr Perruzza

*In attendance / présents

Also taking part / Autres participants et participantes:

Cordiano, Joseph (Lawrence L)
Tilson, David (Dufferin-Peel PC)

Clerk / Greffier: Decker, Todd



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Ministère de la Consommation
et du Commerce



Chair: Cameron Jackson
Clerk: Todd Decker

Président : Cameron Jackson
Greffier : Todd Decker

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 28 October 1992

The committee met at 1534 in committee room 2.

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

The Chair (Mr Cameron Jackson): Welcome. I'd like to call to order the standing committee on estimates. We're here to complete the six hours and 40 minutes remaining for the estimates of the Ministry of Consumer and Commercial Relations. When we left off yesterday, Mr Tilson had the floor. Minister, the Chair doesn't have responses to any of the questions. If you have any now, we could circulate those; if not, that's fine. No? Mr Tilson, please proceed.

Mr David Tilson (Dufferin-Peel): I would like to continue questioning Mr Alfieri and Ms Steinkrauss.

The Chair: Please come forward. I believe you've been introduced on the record.

Mr Tilson: I have a couple of questions. Mr Alfieri, I believe that yesterday you made some comments that in your meetings you had proposed in Windsor—I'm speaking with respect to the gambling casino issue, of course—you would be considering raceway collaboration. Is it a possibility that you're saying the raceway at Windsor could be, would be, part of—what did you mean by that?

Mr Domenic Alfieri: I cannot deal with the specifics of it because we haven't met with them yet. I will be meeting with Mr Joy and Mr Millson tomorrow at 1 o'clock. Basically what I wish to say to them is that we understand and appreciate the concerns they have raised, that all the surveys and all the previous history of the problems that were identified in the casinos versus raceway competition was taken from the perspective of a competing set of organizations; that we have an opportunity in Windsor to work with the raceway from a collaborative standpoint. Exactly what that means will have to be worked out, but what we want to do is to make sure that as we develop the casino we do it in a way that as much as possible does not hurt the local raceway. We have to sit down and develop strategies and ways and means of doing this, but at this point I really don't have the details as to how that collaboration would unfold, other than to say that we intend to pursue it as much as we can.

Mr Tilson: So that comment really meant that you plan to consult with them, as opposed to develop the gambling casino through the raceway at Windsor.

Mr Alfieri: Yes. My understanding from what I've read is that they're not interested in that in any event. Their concern is primarily one of, "How will the casino impact on us?" There's all kinds of concern about the negative impact, and I'm saying, "Hey, let's look at some potential for positive impact."

Mr Tilson: This could be to either you or Ms Steinkrauss. I think you indicated that you had looked at gambling casinos in this country and in the United States. If you look at the studies involved in those particular jurisdictions, all of them say that the horse racing industry will be adversely affected by the institution of gambling casinos. Having said that, what are the government's proposals to ensure that the horse racing business, at the very least in Windsor, will not collapse while this Windsor experiment is going on?

Hon Marilyn Churley (Minister of Consumer and Commercial Relations): Mr Chair, if I could take the floor here and answer that question, I believe you asked if—the Chair interrupted me for a good reason there for a moment. Could you just rephrase your question quickly so I can be clear?

The Chair: Madam Minister, I was about to allow you to jump in and answer the question, but not to re-ask it and restate it. That's only fair. Mr Tilson, do you wish the minister to hear the question again and respond, or were you about to get your answer from Mr Alfieri?

Mr Tilson: I think I'm about to get my answer here.

The Chair: Fine. I apologize if there's a problem at this end. Please proceed.

Ms Whipple Steinkrauss: First of all, we can provide you with a list of any number of reports that have been done on this subject and would be happy to do so. The reports on the impact of casino gaming on racetracks are all over the map. That was one of the challenges we faced and it's one of the reasons we felt we needed to do primary research on it. Certainly the consultation with the Windsor track, as we're developing this proposal, will look very carefully at that and, if there are adverse impacts, how we can deal with it.

Mr Tilson: That's exactly what I'm looking for. Obviously you're getting into the gambling casino business in the city of Windsor; that decision has been taken. My question is, knowing that these reports are out there, that the horse racing industry could be adversely affected by gambling casinos, how will you be reassuring the owners of this track that you don't feel this casino will adversely affect them?

1540

Hon Ms Churley: Mr Chair, could I just jump in and answer that?

The Chair: Yes.

Hon Ms Churley: One of the things that was also announced—I'll give you a couple of examples—at the time the announcement was made to look at casino gaming in Ontario was the intertrack and simulcast wagering, to be put in place around the same time. We have started that

process. The Ontario Racing Commission is now working with the Ontario Jockey Club and other racetracks to put that in place, and we believe that is going to go a long way in terms of helping and levelling the playing field. Mr Frank Drea, from the racing commission, will be here to give further information on that, because he has some interesting numbers I'm sure you'll be interested in.

The other aspect of this question is that we did consult with the racetracks overall, not Windsor in the first stages of this, but the various members, stakeholders, within the horse racing industry, and I have a list if you'd like to see it.

Mr Tilson: The stakeholders I've been talking to say you haven't. However.

Hon Ms Churley: Well, I have, and I have a list here; if somebody can find it for me, that would be great. Right here. Thank you, Judith. The other issue is that the racetracks in Ontario have been hard hit, like most every other sector, by the recession, and my ministry worked along with the Ministry of Agriculture—

Mr Tilson: My question was, what assurances we are giving to the Windsor racetrack that this casino will not have a detrimental effect on that racetrack?

Hon Ms Churley: That's the second part to my answer, that we have been working—

Mr Tilson: You're working?

Hon Ms Churley: Could you please hear my answer, and then perhaps you could get on to your supplementary. It's difficult for me to answer when I'm interrupted after every two words.

The Chair: Minister, you worry about being the minister; I'll worry about being the Chair. It is Mr Tilson's time to ask questions, and we are giving you latitude to jump in. So please stay focused with your answers, and the questions, and we'll proceed fine.

Hon Ms Churley: The second part of my answer to you is that we have recently, in consultation with all the racetracks and the jockey club and the horse racing commission, come up with a new tax-sharing plan: To help the industry right now, at this time, this new tax-sharing arrangement has come into effect, and it's there for five years.

We've been looking at the horse racing industry from the point of view that it's in trouble because of the recession. In terms of the impact right now of a casino on the Windsor track, as has already been stated, we are working with, will be talking to, consulting with, the track to find out if there are ways it can work together with the casino team in Windsor and find ways that they can complement each other.

I'll give you an example. With the wine industry in Ontario, which was really in a lot of trouble some years ago and everybody said, "It'll never make it; it'll never make it," what this government did—

Mr Joseph Cordiano (Lawrence): Whoa, whoa, whoa. Mr Chairman, this is going to get partisan very fast.

Hon Ms Churley: That government started it and we continued with it. I do give credit to all levels of government, both the federal government and the Ontario government. They got together with the wine industry and the grape industry and said, "The only way we're going to be

able to save both industries is to work together and come up with a plan so that we can complement each other." That is exactly what happened. Everybody said it couldn't be done.

Mr Tilson: So you're going to work together. Okay, that's fine.

Hon Ms Churley: In fact, the wine industry, as you know, is a huge success story. So yes, we're optimistic that we can work with the Windsor track and be able to find ways in which they can perhaps complement each other.

Mr Tilson: The question to Ms Wolfson—I think it was you yesterday who made a comment that had to do with the budgeted item. Is it \$2.5 million that's budgeted for the project? While you're at it, maybe you can point to where in the estimates that is.

The Chair: Is there someone who can identify that item?

Ms Judith Wolfson: The numbers are \$2,507,700.

Mr Tilson: What page is that?

Ms Wolfson: Mr Chair, I'm advised this was an in-year approval and it's not included in the estimates document.

Mr Tilson: That's an in-year what?

Ms Wolfson: In-year approval from the treasury board and is therefore not included in the estimates.

Mr Tilson: What does that mean, "in-year approval"?

Ms Wolfson: If you'd like, I can ask one of our assistants to assist you.

The Chair: Please come forward and make space. Ms Susan Allair.

Ms Wolfson: And our assistant deputy minister of corporate services, Eleanor Meslin, perhaps is going to assist us.

The Chair: Please identify yourself. I believe you heard the question.

Ms Susan Allair: I'm Susan Allair. I'm manager of planning and budgeting services. We're given our original estimates funding at the beginning of the year by treasury board but, during the year, if there are needs for additional funding identified, we can go forward and make an additional request. That's what we did in this case. The funding was approved in June.

Mr Tilson: Two point five million dollars. How much of that has been spent?

Ms Allair: I'm sorry, I don't know.

Mr Tilson: My question was, how much of the \$2.5 million has been spent since June?

Mr Alfieri: I don't have a calendarized amount as to how much has been spent to date. I can perhaps provide some indication as to the kind of allocation. That may give you an idea.

We project spending this year \$621,000 with respect to salaries and wages, \$130,000 for employee benefits, \$169,000 for transportation and communications, and \$1.269 million was allocated to services and supplies and equipment, for a total of \$2.507 million.

Mr Tilson: So these are new staff?

Mr Alfieri: These are not new staff. The great majority are secondments from other ministries, like myself. I come from the Solicitor General's ministry. The special allocation was made that when I come here, of course, my salary would have to be reimbursed to that ministry. I would think that about 75% of the 18 or 19 staff are secondments from other ministries. We have some new staff, mostly two or three who are on contract; maybe four or five.

Mr Tilson: How many are on contract? Four or five are on contract?

Mr Alfieri: I would think it's about four or five, I'm not totally sure.

Mr Tilson: What are they doing?

Mr Alfieri: Communications consultation. One is assisting us with putting in place our computer system. We're going to need all kinds of databases as we proceed with the project, so they're assisting us with that program support in general.

Mr Tilson: All right. Mr Chairman, I must confess I don't understand the procedure. So these moneys are not in these estimates.

The Chair: They are in these estimates. They're not before you. I guess as Chair I should have asked if there were any supplementary estimates that could be helpful to the committee, if they could be tabled and we could then circulate them. It's not uncommon for the government to make decisions it wasn't prepared to make a year ago and then make a decision to spend. That's not uncommon. It would be a technical question from the Chair to support the member. Were these included in the supplementary estimates?

Ms Allair: We've had no supplementary estimates this year. It was approved by minute of treasury board.

The Chair: Correct, but you did not routinely issue supplementary estimates?

Ms Allair: That's not at the behest of the ministry; that's at the behest of treasury board.

The Chair: Correct. So it is subject for your discussion, which is why we're discussing it. Perhaps we might ask: Are there any other items that are not before us that have been approved by treasury board? That represents the sum and total of any additional approvals your ministry received.

Ms Allair: That's right.

The Chair: Fine. Is that helpful, Mr Tilson?

Mr Tilson: Yes. Are there any other items in this estimate book that have to do with casino gambling?

Ms Allair: No. It's purely this since April 1.

1550

Mr Tilson: All right. Are all staff hired that are planned to be hired?

Mr Alfieri: Yes. We don't anticipate requiring any more staff. As the project proceeds, there will be some need for specialized consulting services and the money for that is already in this \$2.5 million, but we don't see any additional staff resources or civil service resources at this time.

Mr Tilson: Mr Chairman, I wonder if we could have tabled the details of the \$2.5 million. I know you've read off breakdowns, but can we get further details of that?

The Chair: I'm sure staff could provide something that can be circulated before the next meeting.

Mr Tilson: Could we get that by next week?

Mr Alfieri: Yes.

Mr Tilson: I have a question of the minister. I would like you to tell me again, with respect to comments that you've made in the past—these were made during your press conferences and I certainly can remember in a press conference at least—that there would be large spinoff revenues to the city of Windsor. What will the city of Windsor get out of casino gambling?

Hon Ms Churley: First of all—you've asked this question before as well—we don't know exactly how much revenue the casino itself will generate yet for a number of reasons, and I'm sure we can get into that later.

Mr Tilson: No, that wasn't my question.

Hon Ms Churley: No, I understand.

Mr Tilson: I'm not interested in the quantum. I understand you don't know, because it has been emphasized that there's no specific plan. My question is, what percentage, if any, will the city of Windsor get out of the revenues that come out of casino gambling?

Hon Ms Churley: Right. The nature of the benefits that we expect will be seen by Windsor, by the municipality, will be increased tax revenue, increased tourism, enhanced hospitality industry, job creation and overall economic development. Those are the areas where we can see that Windsor will benefit greatly.

Mr Tilson: There'll be no direct revenue received from casino gambling to the city of Windsor?

Hon Ms Churley: No. I've had one meeting with them, and the project team will be working very closely with them on a number of issues. There will be discussions around policing, for instance, which was brought to my attention, and I certainly said that we will have discussions around those kinds of areas where there will in fact be increased policing, because all of our goals are to make sure that the casino is crime-free. But in terms of actual revenue-sharing, the position of the government is that the municipality gets the spinoff benefits and the revenue comes to the provincial government.

Mr Tilson: Mr Alfieri, with respect to this bill that will be introduced to the House in due course with respect to the Windsor experiment—you've also talked about consultations that you'll be proceeding with tomorrow with the municipal officials and the racetrack officials—can you tell us what provincial-wide consultations that you—what do you call your group?

Mr Alfieri: Casino project team.

Mr Tilson: The casino project team. Can you tell us what provincial-wide consultations you'll be undertaking, if any?

Mr Alfieri: I will defer to Ms Steinkrauss, in as much as she's been actively involved with that. We will

be continuing to do that, but in the one week I've been here I've been concentrating primarily on the Windsor situation, so I want to make sure that we provide you with the appropriate information, and I'd prefer her to answer.

Ms Steinkrauss: As I mentioned yesterday, there was a lot of preliminary consultation done in preparing cabinet submissions on this issue. Most of that was based on secondary research and direct personal contacts with a variety of organizations. We would be pleased to table with you a list of all of those organizations and we would be pleased to table with you a bibliography of the materials that formed the basis of our information base. That is the kind of work that was done leading up to the cabinet submissions.

The decision has been taken to target consultation, at this point in time, not province-wide but in the area where we are piloting and also to do research there rather than on a province-wide basis.

Mr Tilson: I understand that your task group and/or members of the ministry have been communicating with operators of casino gambling at Atlantic City. Can you tell us about that at all?

Ms Steinkrauss: We have talked to casino gambling and industry experts at the University of Nevada, Harrah's, Caesar's, Mirage, the Great Canadian Casino Co, Crystal Casino, Mystic Casino in Minnesota, Casino ABS of Edmonton, Palace Casino of Edmonton—

Mr Tilson: Specifically, Atlantic City was what I was referring to. I guess my question was more direct as to those operators attending to the city of Toronto with the prospect of possibly operating these casinos.

Ms Steinkrauss: Of course, as soon as the announcement was made all those kinds of organizations contacted us. As I say, we have met with them, as we have with all of the other Canadian operators in Canada. I can assure you that no commitments have been made. They were simply information-gathering sessions.

Mr Tilson: Have you had any consultations with anyone at the racing commission?

Ms Steinkrauss: Certainly our own ministry regulates that industry. We've not met formally with the commission on this, but we have certainly talked to a number of people within the industry itself and staff and so on on this point.

Mr Tilson: Do you plan to have any discussions with anyone at the racing commission?

Ms Steinkrauss: I'll leave that to Mr Alfieri.

Mr Alfieri: Yes, the deputy and I will be meeting with Mr Drea at the initial stages to discuss that, and there will be further consultations beyond that.

Mr Tilson: There was a presentation made to the Ministry of Agriculture and Food on September 4 by the New York consulting firm of Christiansen Cummings Associates Inc. Have the Ministry of Agriculture and Food people made that report available to you?

Ms Steinkrauss: Yes, they have.

Mr Tilson: And what are your thoughts about that report?

Ms Steinkrauss: It is one of any number of reports that we have reviewed. As I say, one of our thoughts on it is that we can learn some things from it. There are, however, questions we would have about the causal relationship, as I mentioned at the end of my remarks yesterday, between casinos and horse racing. In other words, there are conclusions drawn about the impact on horse racing by casinos, and given the whole range of gaming in Ontario, given the nature of our population, we feel that we can learn some things from it but we need to do our own research; we cannot simply accept some of those conclusions.

Mr Tilson: I guess the concern that I have is Mr Alfieri's comment that you hope to have the draft bill before the cabinet by the end of this year. My concern is that this report indicates—and I'm saying this with all due respect—that the people in the ministry simply are not informed enough on this subject to proceed at such a fast rate and that indeed they are moving too fast on this project.

The Chair: The minister would like to respond briefly to that.

Hon Ms Churley: Yes, I think it's appropriate. This was of course a political decision to introduce casinos in Ontario and a political decision to start slowly and carefully in a controlled way with one pilot project in Windsor. We are hoping to have that casino open in Windsor some time in 1993.

We have to bear in mind that this is a pilot project. The Windsor area municipal council passed a motion and, as everybody here is quite aware, is very anxious to have the pilot project in Windsor. They will be with us. We will be analysing and critiquing, and at the end of the day we will have more information for the rest of Ontario on casinos. But this is a project that Windsor is quite interested in having in its own town. We are anxious and they are anxious to do it in a careful and controlled way, and to do it the right way, but to get it up and running in 1993.

Mr Tilson: I believe it's a fair question to ask the task force whether—I appreciate that it's a political decision. I understand that.

1600

The Chair: Mr Alfieri's ready to respond, and you have about two minutes, Mr Tilson.

Mr Tilson: My question is whether, listening to these types of reports—again, I'm trying to say this with due respect—is it not within your ability to tell the minister that perhaps the staff need to spend more time on this and that December or 1993 is too fast to proceed with this?

Mr Alfieri: I think I should clarify that yesterday I indicated that by the end of the year we would be in a position to provide the minister with advice as to the content of a bill. It's up to the minister and cabinet beyond that, and the Legislature, to deal with the bills themselves. We hope to do the workup and deal with and address the issues that would assist in framing the content of a piece of legislation; not to have the bill itself, just to go forward with recommendations.

Mr Tilson: How long will this Windsor experiment last?

Mr Alfieri: As I indicated also yesterday, we need to sit down and work out in advance of the casino's opening what kind of evaluation criteria will be established to deal with it. The government has indicated that it wishes to set it up and evaluate it, and we need to articulate those evaluation criteria. The length of the experiment will depend on what it will take to evaluate it, and the criteria for that are to be developed yet.

Mr Tilson: How will you determine that?

The Chair: Mr Tilson, that was your final question. I have Ms Haeck and Mr Lessard, in that order.

Ms Christel Haeck (St Catharines-Brock): I welcome the fact that Mr Brandt is sitting in the audience, because my wine industry in Niagara-on-the-Lake particularly is extremely pleased with the kind of work he has been doing.

The Chair: He's drinking as much of it as he can.

Ms Haeck: As much as I would love to get into the repartee, I won't, because I'm not sure exactly what his particular predilections in that area are.

The Chair: Coffee, at the moment.

Ms Haeck: Well, it's all that's offered, so what can I say?

The issue the grape growers and the wineries in my area are concerned with is the fact that there have been some very good marketing programs put in place by the LCBO. They've obviously had some excellent results, and their question, and I will be happy to take your answer back, is to what degree we can expect this kind of continued support to maintain market share and possibly improve it. If you'd like me to repeat it, I'll be happy to.

Interjection.

The Chair: I believe the minister wants to formally welcome you here, Mr Brandt, on my behalf.

Hon Ms Churley: Yes.

Mr Andy Brandt: I'd love to be formally welcomed after your welcome, Mr Chairman, which I appreciate deeply.

Hon Ms Churley: Perhaps the Chair wanted to formally recognize him first, but I am happy to introduce him. I believe everybody knows Mr Brandt, but I'm very pleased that Mr Brandt is available today. Welcome. If you would like to go ahead and proceed, subject to the Chair, of course, please do.

Mr Brandt: As was indicated earlier, the amount of money that was provided by both federal and provincial governments was about \$42 million in a cooperative undertaking to reinforce and support the Ontario wine industry. Any additional moneys that will continue on in what they call OWAP, which is the Ontario wine assistance program, will be continued only as a result of further discussions between the government of Ontario and the government of Canada.

You're correct in saying that the Ontario wine industry is continuing to increase its market share. It's slowed a little bit in the past year because of difficult economic conditions, but it's still doing very well.

There will be an adjustment period for the wine industry relative to the free trade agreement. Once that has continued on to its point of expiration, which is, in effect, an interim subsidy for the Ontario wine industry, then that industry will be on a level playing field with our international competition.

Any further subsidization of the industry that would take place would be a political decision, and I can't give you any indication of any assistance that would be available, because the LCBO does not provide such assistance.

Ms Haeck: You've given me the opportunity to reinforce with the minister that in fact it's of concern to my growers, but they were definitely anxious that I let you know this was something they were very strongly in support of and I thank you for your answer.

Mr Wayne Lessard (Windsor-Walkerville): Seeing that the Chair is here, I'll start asking questions of Mr Brandt. I do have some questions for Mr Alfieri and Ms Steinkrauss about the casino in Windsor as well.

I have some concerns that have been expressed to me by workers at the liquor control board stores in Windsor. They result from the potential closing of one of the stores, which is located on Wyandotte Street East. I know that I've communicated with you in writing about that. Of course, they would like to see that store remain open, and they presented me with a petition with probably about 2,000 names that I presented in the Legislature last week, requesting that the store remain open as well.

I would like to have your comments about that possible store closing, if you're familiar with that one, and perhaps you could comment as well about possible job losses at the liquor control board stores in the Windsor area and how that might be influenced by cross-border shopping.

I'm sure there is some impact on the market in Windsor. That may be alleviated by successful negotiations with the federal government to collect some of the provincial sales tax at the border, and I hope that's something that happens. But maybe you could provide me with some of your comments that can address the concerns of the liquor control board workers in Windsor.

Mr Brandt: Well, you raised a number of questions. One related to cross-border shopping, and there's no question whatever that the stores which we have identified as being within the market area impacted most immediately by cross-border shopping, which represents about 10% of our total chain of over 600 stores, therefore some 60 stores in that catchment area, are very negatively impacted by cross-border shopping, by smuggling and a number of other conditions.

The sales in those stores are slower and they have deteriorated more rapidly in the Sarnias, Windsors, Niagara Falls of the province of Ontario than areas that are further inland and therefore further removed from the border. So we are feeling market pressures in those particular areas which impact on the number of stores that we're going to retain, as well as the number of staff that we're going to retain, far more so than we would elsewhere in the province.

As an example, at the selfsame time that we had some staff positions removed as a result, which we determined

to be excess staff positions at the LCBO, we actually had some open positions in the Toronto area, where there were some positions that were removed from our roster of available positions in places like Windsor. The staff in those areas had an opportunity to transfer, but there are some economic hardships, which I recognize, for someone transferring from Windsor to Toronto, as an example. But the conditions are not the same across the province in a uniform way.

Throughout the discussions that I've heard here relative to casinos and economic conditions, impact on horse racing and all of those things, one of the constants, I guess, is that we're going through an extremely difficult economic period. We're not isolated from that. Albeit some people think that we have a monopolistic position in the marketplace, we have a great deal of competition which is impacting on our sales as well. So in a specific answer to your question, we do market studies of areas to determine, as a result of the activity in those areas, sales and leader throughput, which is the volume of merchandise that we actually sell in an area, and then we determine the number of stores that we need and the staffing.

That's reviewed constantly. Probably every 30 days, we're doing a continuing monitoring of those particular conditions in a market-driven analysis to determine whether or not we could justify the staff and the stores, depending on the conditions of those areas.

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There is a possibility of a store closing in Windsor. To the best of my knowledge, there's only one that is being looked at at the moment. I don't believe that will necessarily affect staff, because there will be some adjustments to staff within the area. But there is one store that is being looked at in that area.

Mr Lessard: I'm happy to hear that it may not affect staff, because the uncertainty of staff is something that causes them a great deal of concern. One of the things they have suggested to me is that perhaps there is more than an appropriate share of expenses that are being allocated to improvements of stores. They suggest that those improvements are unnecessary because if somebody is going into a liquor store, it really doesn't matter what it looks like or how nice it might be inside, he or she is only going in there to buy a bottle of wine or Canadian Club whisky or something like that. Because the store might look nice, it's not going to cause them to buy more or spend more time in the store.

I heard in the minister's remarks yesterday, however, that some of the capital improvements that were being made to liquor stores did go farther than just cosmetic improvements. However, you talked about marketing in your response and I wondered if you've done some market analysis to indicate that cosmetic improvements to stores might improve sales.

Mr Brandt: The cosmetic improvements that you refer to are a very minor part of the average \$80,000 per store that we spend when we do a retrofit of the store. Keep in mind that we provide access for the handicapped, we remove asbestos in some of the stores, and we upgrade heating and air-conditioning where it's required. We do a

number of safety things to bring us into compliance with occupational health and safety requirements. There's a host of things that we do, including fixing leaky roofs, straight maintenance items that have to be done.

We look at a package of improvements which admittedly also includes some cosmetic things like paint, signage etc. That only amounts to about 25% of the total of \$80,000 in a given store. Relative to a comparison between an up-graded store, a store that has been retrofitted, or in the lingo of the LCBO, that's under our image program, and stores that are not image program stores—the minister also mentioned this in her speech, because I shared these figures with her—there are two or three elements that give us an extremely rapid payback, which I think makes sense from a business standpoint.

One is that our sales, in a direct comparison basis, are up 3.5% on those items. Secondly, we sell advertising space which averages between \$20,000 and \$30,000 per year per store. Thirdly, the availability of products is enhanced very substantially for the customers as a direct result of the renewal of the store. We think it's a good business case.

If I may, with your agreement, Mr Chairman, one last comment: I want to assure you that in no way is the image program and the capital improvements of a chain of stores which is 65 years old—this is not a young chain; it's been around for a lot of years—in any way, shape or form connected with any staff positions. They are not one and the same.

Mr Lessard: My final question has to do with liquor licences and people who may be in the bar or restaurant business. I know that if there are contraventions of the licence, suspensions are imposed. Is there a provision for the imposition of fines or some other penalties?

Mr Brandt: If I may interject, the minister may wish to welcome the new chair.

The Chair: As long as someone will put it on Hansard, I'll be real happy.

Hon Ms Churley: Andromache Karakatsanis is the chair of the LLBO, who would be the appropriate person to answer a question on licensing.

The Chair: Welcome.

Ms Andromache Karakatsanis: Thank you. It's the Liquor Licence Board of Ontario which licenses establishments for the on-premise consumption of alcoholic beverages. What we do is we can issue licences and we can suspend them, revoke them or attach conditions to the licences. We do not have the power to fine under our legislation. However, a police officer who goes into a licensed establishment can choose two routes to proceed if he finds an infraction of the Liquor Licence Act. He or she can lay a charge in provincial court, a cross-criminal charge which can result in fine or imprisonment or—and often both—he or she can send the report to the Liquor Licence Board and then we will proceed with our disciplinary proceedings.

Mr Lessard: Has there ever been—

The Chair: Mr Lessard, your time is just about completed. Is there a very brief question and brief response? If not, I'd like to move to Mr Cordiano.

Mr Lessard: Okay. I just have a point, trying to determine who is going to be able to return here next week, whether, if there are other questions for Mr Brandt or other persons, they're going to be here or whether we should finish the questioning for them today.

Hon Ms Churley: No, I'll make sure that people will be here as required. Except for the two who were pointed out by the Chair yesterday who have specific problems, everybody else will be available at all times.

Mr Gilles Bisson (Cochrane South): Mr Brandt will be here on Monday or Tuesday?

Hon Ms Churley: Yes.

The Chair: I want to share with the committee that there is some effort for us to complete the estimates by Tuesday at 6 pm. In that I have some guidance from the committee in order to achieve that, that's why I'd like to move to Mr Cordiano at this time. Mr Cordiano, please take the next half-hour.

Mr Cordiano: Out of respect for the chair of the LCBO, whom I welcome formally here to the committee, I want to say first of all that you're doing, in my opinion, a very good job indeed of directing affairs at the LCBO. I would like to commend you on that. So I hope you won't take what I'm about to say as a personal indication of your role as chair of the LCBO. My comments will pertain to other matters, probably more to do with policy initiatives. It goes back to the minister. There may be a couple of things I will direct to your attention, if you will bear with me over the next little while.

Mr Brandt: Certainly. I'll take the easy questions.

Mr Cordiano: Okay, you'll take the easy questions. That's good.

Mr Bisson: You didn't have that luxury in the past.

Mr Cordiano: Speaking of the past, and someone mentioned that, I'm going to refer to the minister. Perhaps she will not be as familiar with this, but looking back at the Hansards, Mr Farnan, who was the critic for Consumer and Commercial Relations for your party when you were in opposition, was quite concerned at the time—this was around 1989—with the lack of communication that had taken place between LCBO employees and the ministry. The friction was caused as a result of great uncertainty about the plans that were about to be initiated in respect of agency stores and the whole direction that the LCBO was taking. I believe he saw that it was important to include union representatives to be part of the development plans in respect of the changes that were taking place at the LCBO.

I bring this up because the same concerns that were raised by the then critic of the opposition party, Mr Farnan, I think still apply today. We see that in Hamilton and in Brantford. Last month it was reported that employees of the LCBO union were threatening to walk off the job to protest staff cuts. We see that there are a number of other problems that they were concerned about, mostly to do

with what were rumoured to be plans to privatize certain LCBO stores.

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The reason I bring this up is to make this point: It is essential now for you to clarify for everyone concerned what in fact are the intentions of this government. If it is to move in the direction of privatization with respect to certain LCBO stores, in addition to increasing the opportunity for agency stores, then I think it is important and incumbent upon you to make that clear, to bring forward initiatives that your government would undertake to bring that about and do it in an open way.

If we're going to continue to have agency stores and an increase in that, then I think it's important we clarify that. It's also important to bring people on side. The very people who make up the union should not be left by the wayside.

It's interesting that the opposition parties, at this point, should have to raise that with the government, with the party that has been so closely affiliated with the labour movement. I find that quite ironic. You can respond to that if you like.

Hon Ms Churley: Thank you. First of all, I want to answer your last question first, because I think it's very important. Let me say very clearly that there are no plans whatsoever to privatize the LCBO. The speculation, which I believe was in the Toronto Star article, is purely that; it's speculation. No studies have been commissioned. This is speculation. There are no plans.

Having said that, I want to make it very clear that if there was ever a time for good relations between management and unions, it's now. With the downturn in the economy and the layoffs that are going on in all sectors of our society, I agree with you it is crucial.

To that end, I personally have met on frequent occasions with the chair of the union on a number of issues you raised and I have met together with the chair of the board and the union to discuss these issues quite frequently. I dare go so far as to say this is perhaps unprecedented in terms of my meetings with the president of the union. That doesn't mean we've always agreed on everything.

Mr Cordiano: How recently were these meetings held?

Hon Ms Churley: What I'd like to do now is turn the question over to the chair, because I think it's very important that he address some of the issues around the relationship between management and workers at this time.

Mr Brandt: Mr Cordiano, I appreciate the question, because it is a sensitive question. You're dealing with people, and one tries to the best possible to bring about an amicable kind of relationship.

First of all, I want to say without any equivocation whatever that the minister and I have not talked nor do we intend to, to the best of my knowledge, about privatization. It was a speculative story that was written by someone in the media who did extensive interviews with other people who said: "It's a possibility. It might happen. It's a thought."

I believe it came about as a result of earlier speculation when there was some talk about possible conversion of government assets into cash in order to look after certain

immediate problems. It had absolutely nothing to do with the realities that were on the table between the minister and myself at the LCBO. We haven't talked about any of that issue relative to privatization.

Second, in regard to union relations, you asked a question of the minister, "When was the last such meeting?" Within the last seven days, I have met with John Coones, who is the president of the union. I have tried to bring Mr Coones up to date to the best of my ability, as I believe the minister has in her meetings with him, to indicate some of the economic conditions we're facing.

I do not expect, nor would you, that Mr Coones would accept gracefully, as a representative heading up a union, that there may have to be some staff cutbacks. The immediate problem we have at the moment with the members of the Ontario Liquor Boards Employees' Union is that we've just gone through some downsizing of the organization, which is specifically related to market conditions and sales. I wish it wasn't necessary. I would much rather be in a position where I was hiring people rather than having to cut people. But it is a difficult time, and I can tell you that none of it's related to privatization relative to our relationships at the moment.

Mr Cordiano: Let me move on then to the issue of agency stores. What are your plans with respect to agency stores? Are you going to expand those locations throughout southern Ontario? I know there are a variety of locations in northern and eastern Ontario, but very few in southern Ontario.

Hon Ms Churley: Again, Mr Chair—oh, it's a new Chair. Hello. I wondered why it was so quiet next to me.

The Acting Chair (Mr Carr): I think I scared her.

Hon Ms Churley: Yes, I was really shocked.

I have met with the chair of the LCBO and the president of the union as well to discuss this on frequent occasions, and I think perhaps it's discussions of agency stores that sometimes lead to speculation about privatization. In fact, as you know, there's no connection. An agency store is simply that. The policy centres around giving people in remote areas, particularly in the north where it exists now, an opportunity to be able to purchase their alcohol beverages within a reasonable distance. There's no change in the policy at this time in terms of expanding it to the south. We will be introducing a few more agency stores in the north, and perhaps Mr Brandt would also like to add to that, but essentially that's where things are at right now with the agency store policy.

Mr Brandt: The program of agency stores started in the late 1970s. It has expanded to some 75 stores, I believe, at the moment. You're correct in that there are nine by definition in the south, immediately around the Ottawa area. That was started as a pilot project by a former government. Those stores are still in place, still operating. One licence was withdrawn as a result of difficulties with an operator in the Ottawa Valley region, so that effectively we had 10 stores; we now have nine stores in that region.

All of the balance of the stores are north of Highway 17, which by definition is the demarcation point for agency stores in terms of current government policy. The

minister recently approved four additional stores which, I hope, will come into being some time towards the end of this year or the early part of next year. The program is continuing to expand.

I want to give you the assurance, however, that in no instance is the expansion of the agency store program costing jobs for full-time union staff. They are in areas, as the minister indicated, that are remote. They are separate from any of the stores in which we now operate. In fact, there are instances where the existing LCBO outlet serves as a warehouse to the agency store and creates even more economic activity within the LCBO store that is in relatively close proximity to an agency store.

It's a positive program, in my view. I endorse it. It's one that is very good for the government and for the citizens of Ontario in that it generates a lot of revenue at very little cost.

Mr Cordiano: One final question about agency stores: I just want to get some better understanding of the viability of agency stores. You must have some kind of measurement quotient for this on a per-square-foot basis in terms of sales relative to your other LCBO retail outlets. How do they compare? Are they doing as well on whatever measurement you use to assess that? Are they doing better? Is it a generator of revenue? Give me some better understanding.

Mr Brandt: We cannot lose money on an agency store because we have absolutely no costs associated with it. All of the costs are covered by the existing operator. We go into an area and call for proposals from these very small communities. I want to point out that these communities are usually 300, 400 or 500 people. We're not talking about a metropolis where there would be a whole host of outlets.

Mr Cordiano: No, I realize that.

Mr Brandt: We're talking about a small restaurant or a general store and the service we are able to provide in a community that normally would require the citizens to drive 30 or 40 or 50 kilometres to purchase any alcohol products.

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The way the program works, very simply, is that the agent who is acting on our behalf in a given area, once having received approval for a licence to handle our products, receives a 6% commission. We pay that agent a commission to handle the products, and all of the balance, which I can tell you is a substantial difference between the 6% we pay in commission and the amount that goes to the government, is all profit. We have no overhead whatever. Everything is paid for by the existing operator who's there.

Mr Cordiano: So what you're telling me is that they're extremely profitable and great generators of revenue.

Mr Brandt: Yes, which is why I went to the minister—

Mr Cordiano: It's something we knew, but I just wanted to confirm that we're still on target with that. So when the minister takes a real look at this, she's going to say agency stores are quite profitable, and when the Treasurer

looks at it, he's going to be even more interested. Anyway, that's that. I'll leave it at that. Thank you, Mr Brandt.

I'm going to shift gears a little bit. Can you tell me how much time I have?

The Acting Chair: Until 4:50.

Mr Cordiano: Okay, another 20 minutes. We're going to move back into the whole question of casino gambling, just to forewarn you. With respect to impact studies, a lot has been said about them or the lack of them. It's pretty clear at this point that there really aren't impact studies.

Hon Ms Churley: Mr Chair, if I may, as the minister here, it's important that we have a better idea of what you mean by impact studies. Can you describe what it is you're looking for here?

Mr Cordiano: Let me make this very clear. I would at this point be very interested—

Mr Bisson: The kind of impact studies they want on labour reform.

Mr Cordiano: Excuse me, I have the floor. I'd be very interested in any information—let's make it as broad as possible—information on paper that has been gathered by your ministry, by the task force or whomever else, to assist you in making this momentous decision you've made. I'm not interested in the conclusions you've drawn from that or the submissions that have been made to cabinet. I'm only interested in the actual information that would be contained in those studies, not the information you would have submitted to cabinet. It may be that it overlaps, but I want the separate information that led up to that decision.

Hon Ms Churley: Okay. With your permission, Mr Chair, I'll turn it over to Ms Steinkrauss.

Ms Steinkrauss: If I can go back to this. We did a preliminary assessment and preparation for cabinet submission, and we based that primarily on secondary research. I would be pleased to table with this committee a list of articles and publications which form the basis of information; it is here and it will be available. I would also be pleased to table a list of organizations we consulted with or from whom we got information.

So that will form an information base, and it was an information base used, along with an enormous amount of personal discussion back and forth with people from the organizations identified, to form the basis of the cabinet submission.

In looking at that information, without speaking specifically to recommendations, we did conclude that Ontario was quite unique and that while we could learn from other jurisdictions we needed to do our own primary research, and that's the reason for a pilot project, if I can speak again to that.

Why unique? The charitable gaming sector, as I mentioned yesterday, is the largest in North America. It's relatively sophisticated because of the major involvement of the commercial sector. It has a staggering rate of growth, from \$80 million to \$1.5 billion in a dozen years. Of that, the largest share clearly is bingo; things like casino nights are relatively small.

Secondly, despite a decline in the industry across North America in racing—and that issue has been before us already—Ontario is the third-largest horse racing jurisdiction on the continent. That's really been the result of close collaboration with government to ensure the strength of the industry. That's a historic thing. It goes back to things like the racetrack assistance program, tax rebates, simulcasting. That's a betting handle of over \$1 billion.

Thirdly, we have lotteries, with gross wagering of \$1.3 billion. So we have a very different marketplace.

Other factors: There's been incredible pressure on the government to increase gaming, particularly by charities—we have 40-plus outstanding applications for new bingo halls; by tourist operators, who pushed for gaming because gaming is happening around us and pushed very hard—all those kinds of things.

Mr Cordiano: I don't mean to cut you off. Those are all very relevant facts and figures supporting the contention that I've made, that because there are so many organizations that depend on this revenue now, they are quite vulnerable by the decision this government has taken to move forward with casino gambling, leaving them exposed.

In fact, you can't stand here today and answer this question: Will they be impacted? Will these organizations be impacted negatively in respect of the revenues they're generating at the present time by casino gambling? That's a legitimate question, a reasonable question to ask oneself before entering into this process, and I can't believe we're sitting here today discussing this without really having projections or estimates or an understanding, a real good understanding, of what your initiatives will do to that entire sector, those organizations which depend on this revenue.

There may not be a precise model or example or experience to look at, but that's certainly something that can be delved into, projected, concerns raised, in a legitimate way, without having to move forward to a pilot project initially. I'm not suggesting that you not do that, but what I'm saying here is that there seems to be a real lack of information, a real lack of projections about where we're going.

Hon Ms Churley: Mr Chair, if I may, the reality, what we have to bear in mind here, is that that's what our pilot project will tell us. Second, the charities, some of the main umbrella charitable organizations, are involved and have been involved in the process.

The start of our pilot project is not the end of our research. We've done some work as well, so it's not quite the beginning, but in a large part we're going to learn from this pilot project, and we've made that very clear. There's only a certain amount of information you can have when you've never had a project, in this case a casino, in Ontario before. It is going to be useful for us all to make sure that this one is started carefully, that we have strict regulatory controls and working with the community and with the charitable organizations, with the horse racing industry, to make sure that the casino itself is viable and that the charities and the horse racing industry don't get hurt.

But the reality is that you could go out and do studies for ever, for years and years and years, and we've gathered a lot of material. But the kind of impact studies it seems to

me you're talking about right now would be very hard to do, because we don't have the project there.

Mr Cordiano: I disagree with you fundamentally, but that's not really the issue here, that I disagree with you. I just think it would be useful even to the people of the city of Windsor to begin to understand what they're dealing with and to have simulations about what can take place before you move to a pilot project which, once it's up and running, you've invested enough money in that will be sunk costs if things don't turn out.

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Anyway, let me ask you this next question: Having said that, what discussions have taken place with charitable organizations, what formal discussions have you had with respect to their role in casino gambling and what kind of revenues will they be sharing in, if any?

Ms Steinkrauss: First of all, the Gaming Services Act that's on the table at the moment is to deal with the charitable gaming sector.

Mr Cordiano: That's not what I'm asking about. Pardon me—

Ms Steinkrauss: Just a moment. First of all, on the issue of casinos, within the legislation that exists now and in the proposed new legislation there is a capacity for the charitable gaming sector to run casino nights or Monte Carlo nights; of course we had the CNE casino, which was a large example of that. But I want to give you some picture of the charitable gaming sector because I do think it is important.

Mr Cordiano: No, no. My question is very specific. What part, what role will the charities play in the revenue that's generated from the new casino project which is going to be initiated? Is there any kind of revenue-sharing agreement that has been made with charitable organizations in the Windsor pilot project or indeed any additional projects that are undertaken at new sites?

Hon Ms Churley: You're right. It's a clear question now, and I understand what you're saying. I already stated in an answer to I believe a question from Mr Tilson that the majority of the revenue will come back to the government of Ontario.

Mr Cordiano: A majority? What do you mean by a majority?

Hon Ms Churley: Let me be clear here. We'll be working with Windsor. As I expressed earlier, they have expressed some concerns about extra policing, for instance, so we'll be talking and negotiating with Windsor on that aspect of it. But in terms of the revenues, they will be coming back to the government of Ontario.

Mr Cordiano: So all the revenues will be going back to the treasury of Ontario?

Hon Ms Churley: Yes.

Mr Cordiano: No revenues will be split or shared with the local community of Windsor or other charitable organizations or indeed any other stakeholders?

Hon Ms Churley: Yes, you're right. I've said that the revenues will come back to the government. But many

charities receive funding from government, and we mustn't forget that. Obviously, if a casino helps government's revenue, it's going to—

Mr Cordiano: Well, that's fine and good, but I'm talking—

Hon Ms Churley: No, we have to be fair here. It's going to help the charities.

Mr Cordiano: Yes, but I'm only interested in direct revenues, and you know that's what I'm talking about here. In terms of formal agreements with either charitable organizations or—I think you've answered the question. You've said basically that the charities will be dealt out of the deal; they're not going to be included. The local community will not have any additional revenues apart from additional policing costs. They're not going to share in any of the revenues. The revenues are coming to the Treasurer of Ontario, 100%.

Hon Ms Churley: But don't forget that the city of Windsor is going to have huge spinoff benefits. We mustn't forget that in the final analysis.

Mr Cordiano: That remains to be seen, Madam Minister, and that is entirely one of those great unknowns which we're addressing here today. We have no way of knowing what the spinoffs will be from this. Some people doubt the spinoffs. I think the people of Windsor are indeed very concerned and want to have a share. From what I understood, some of the people on city council who have indicated this wanted to share directly in the funds that were generated specifically by the casino in Windsor. What you're saying today, unequivocally, is that they will not participate or have a share in those revenues that are generated. Let's be clear about this. I think it's unmistakable or undeniable what you're saying here today, and I think you want to be clear about that.

Hon Ms Churley: Yes, I do want to be clear about that, and if I can answer now, I think there are a couple of other things it's important to be clear about.

A recent federal tourism study showed that about 15% to 20% of Canadian tourists who travel to the United States travel to gamble. We're aware that gambling in Ontario is a multibillion-dollar industry at this point, on all levels: charitable gaming, horse racing. Indeed, we know that hundreds of millions of dollars are spent in illegal gambling. There is a logical reason why the Ontario government is moving in this direction. Other jurisdictions are now in the process of looking at casino gaming.

Mr Cordiano: That's all fine and good.

Hon Ms Churley: We are trying to bring those gambling dollars back into Ontario, to bring in some of the cross-border shopping that we're losing the other way.

Mr Cordiano: With all due respect, you have your reasons for the decision you've taken, and that I am not going to argue with. What I'm simply discussing here is with respect to the people of Windsor, city council and interested parties in the city of Windsor, who I think had an expectation that they were to share in direct revenues that were generated from the casino. And what you're telling them is that they're not going to do that. I think that has

been made clear. Let me move on to the next question that I have.

Hon Ms Churley: To be very clear, since we're talking about being clear, there was never any indication given at any time that there would be revenue-sharing with the municipality, and I don't think Windsor is surprised to hear that.

Mr Cordiano: That's fine. I'm just saying that I just wanted to make it clear for those people who had an expectation that they were going to share in those revenues. I want to make it clear to them that they will not, according to your words that you've stated today. That's on the record now. I just want to move on to the next question.

If, in fact, you're consulting with the people of Windsor and a variety of interested parties with respect to a variety of areas that you're going to be covering and a number of criteria that you're using to move forward with consultation, you're going to discuss a whole host of issues, how to set the operation up, etc. If you're going to be as flexible with this initiative in Windsor, what you're telling me is that you have not established a guiding set of principles that will be used right across the province. You have no idea how you're going to carry this out in other locations.

Hon Ms Churley: First of all, we said when we announced that we'd be going ahead with the pilot project, that in fact it's quite true that different models may work differently in different locations. For instance—just hear me out on this for a minute—if you look at Winnipeg—and some people have talked about that as a model, and we have looked carefully at that—there's one casino in one city. It is operated completely by the government, the whole thing. They are not a tourist city so they get no revenue. They're not looking at tourism whatsoever. Their clients, or the people who come to play, are mostly from the area. They, in fact, have a very small revenue base.

Mr Cordiano: I don't mean to be rude, but I think—

Hon Ms Churley: It is very hard to say—

Mr Cordiano: I would check that again. I would go back and check what Winnipeg's anticipations and expectations were, and I think at the time when it was contemplating a casino, the whole question of tourism was not something it left by the wayside. They had some indication that—tourism is always a factor in casinos. It may not have been a priority for them, but at the same time, I'm sure that it was somewhat considered in the overall decision, or at least explanations were given that this would help somewhat in increasing tourism. That's always a factor.

Hon Ms Churley: Yes, and I think I went a little bit off my point there. But just to demonstrate how you can't just come up with one specific model and say that if we expand and create more casinos in Ontario, this is the model, and you have to take it whether you like it or not: The reality is, once again, we are going to be working closely and are working closely with Windsor municipality—

Mr Cordiano: But surely you must have some kind of provincial view on this in terms of what's going to happen right across the province. I can't believe you're

just simply going to Windsor and saying, "Look, we're going to work with you and we're going to develop some kind of casino that meets your requirements in Windsor, and then we're going to do it in Niagara Falls and we're going to use a different set of criteria and a different set of standards and a different set of guidelines to do it in Niagara Falls." I can't believe that, Minister. Tell me that that isn't so.

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Hon Ms Churley: I can tell you, that isn't so. The reality is—

Mr Cordiano: So give me what your provincial guidelines are at the present time.

Hon Ms Churley: First of all, the criteria are being established for the selection of specific sites; that's what's happening right now. We know, for instance, that no casino will be located in a residential area. We're going to invite interested parties in Windsor to be involved to submit proposals for the site. The site itself may have some impact on—

Mr Cordiano: Okay.

Hon Ms Churley: I know what you're getting at and I'd like to try to answer.

Mr Cordiano: Here's what I'm getting at: The model you're going to use—you have not indicated—you've said, "Now we're going to consult with the people of Windsor." But is it the people of Windsor who are going to decide on the type of casino this is going to be? For example, if Windsor wants a Las Vegas-style casino, you're going to give Windsor a Las Vegas-style casino; on the other hand, in Niagara Falls they don't want a Las Vegas-style casino, so you are going to give them a Winnipeg-style casino?

Hon Ms Churley: The management and operational model has not been finally determined by cabinet. We will be doing that in the near future.

Mr Cordiano: So it's a provincial decision; that's what you're telling me.

Hon Ms Churley: Of course. We'll be working with the community, but at the end of the day, yes, it will be a provincial decision. Let me say that we all agree there will have to be strict regulatory control by the government. That is a given. There are various models we can look at as to how to do that. As I mentioned, there's the—

Mr Cordiano: The consultation that's taking place with the people—Windsor is really a secondary consultation. It's not to do with the model you're going to use; it's not to do with how much revenue is going to be generated. I mean, this is strictly a provincial concern.

The Acting Chair: Very quickly. Your time is up.

Hon Ms Churley: We will be discussing, of course, with people in Windsor. We'll be talking about those issues. However, at the end of the day it will be a provincial government decision. Again, we're working on that process. Of course, we have some ideas on different operational and management models, but we haven't come to the final decision yet as to what that will be.

The Acting Chair: Unfortunately, your time is up. In rotation now, Mr Tilson.

Mr Tilson: Yes, Mr Chairman. How much time do I have?

The Acting Chair: Around 30 minutes, I believe.

Mr Tilson: Thirty minutes. I'd like to leave gambling casinos, for a moment at least. We may return.

Hon Ms Churley: Mr Tilson, I would like to have read into the record that I admire your tie very much.

Mr Tilson: Thank you very much, and by it I'm not promoting gambling casinos.

Hon Ms Churley: I was going to ask that question: Are you promoting gambling here today?

Mr Tilson: Instead, Madam Minister, I'd like to get into the subject of—we're losing my time here. I'd like to get into the subject of moving your head office. My question should be directed to Ms Wolfson, I believe.

Perhaps we could turn for a few minutes to page 14. Is that where that's all set out? Ms Wolfson, perhaps you could tell me all about moving the head office of the ministry.

Ms Wolfson: Indeed, I'll try and assist you, Mr Tilson. I'll request that the assistant deputy minister, Eleanor Meslin, assist us as well. Eleanor Meslin is the assistant deputy minister of corporate services for the ministry.

The ministry head office is located in two separate locations, at 555 Yonge Street and 10 Wellesley—indeed, three locations—and on Bloor Street. We intend to move and consolidate the head offices into new space in—I understand—the spring of 1994. For any specific questions on the relocation, I think I will ask that Eleanor assist us.

Mr Tilson: Before you get into that, perhaps you can tell me—I understand what consolidation means: trying to have your operations in one place as opposed to a number of places.

Throughout your estimate package, there appears to be some downsizing of staff. Can you tell me, with respect to the head office, what the downsizing of staff will be, what it has been and what you propose it will be?

Ms Wolfson: I'm sorry. In terms of all the areas of the ministry that are located at those three locations?

Mr Tilson: Presumably you have a certain number of staff at these three locations, and you're downsizing your staff. I assume from your package that there will be less staff at the new facility.

Ms Wolfson: We have various divisions and branches that are located in those locations. We have the deputy and the minister's office; we have our policy group; we have our communications group; we have our corporate services; we have our audit group. We have various branches and divisions that happen to occupy that space. I could certainly go through each of those areas and ask Ms Meslin's assistance in our plans for each of those areas, but it's not one group that occupies that space; it's various groups within the ministry.

Mr Tilson: Looking at the number of staff you have at the three locations, and moving to the new location, will you have more or less staff?

Ms Wolfson: We are now in the process of looking at the organization of our ministry. At this time I do not project—and I certainly stand to be assisted and corrected by our assistant deputy minister—that there will be major changes in the staffing numbers from the people who now occupy space at those locations to the main office relocation. Most of our operations are not done through those locations, and it's indeed in the area of the operations of the ministry that we are trying to increase productivity and look at restructuring the ministry to meet our constraint targets.

Mr Tilson: I'm referring to page 14. Salaries appear to be going up. Why is that, when there is—

Ms Wolfson: On the financial administrative services?

Mr Tilson: Yes.

Ms Wolfson: Perhaps I can request Susan Allair again to join Eleanor Meslin. Susan, who is our manager, who was introduced before, is the best person to assist us in the specific numbers.

Ms Allair: The numbers where you see the increases there are due to two things really. One is the effect of salary revisions over time, the small increases that go through, but the other thing—

Mr Tilson: No, let's stop that, because it's 12.5% in one year, isn't it?

Ms Allair: Yes, but that does not represent an increase of 12.5% in people's salaries.

Mr Tilson: What does that mean? I assumed that.

Ms Allair: In this branch and in one or two other branches in the ministry, we have placed corporate funds that are at the disposal of the deputy minister. They are not available for this branch to spend on an administrative basis. They are corporate emergency funds the deputy minister has control over.

Mr Tilson: What is she doing with that? I want you to explain to me in detail what the 12.5% means.

Ms Wolfson: Mr Tilson, I think perhaps that should be addressed to me.

Mr Tilson: I'm sorry.

Ms Wolfson: In looking at our budgeting throughout the year, the ministry has set aside funds as we go through to deal with the considerable constraint that we have to deal with. As we have gone through that exercise, we have anticipated the kind of requirements we will have made on the ministry. Rather than putting it in a specific fund—we do set aside specific funds for training for staff and retraining in the event of surplusings etc—it was our decision to put those funds in the administration services across the ministry, and indeed the senior management then looks at those funds as we go through and we reallocate in-year. The specific numbers in administration, for instance, for financial administrative services, may indeed not be used by that branch but may be used by the registration division or the policy division, depending on what the needs are in-year.

1700

Mr Tilson: Why are you doing what you're doing on this particular item?

Ms Wolfson: Why are we doing what?

Mr Tilson: Well, I'm still trying to determine why we have a 12.5% increase.

Ms Wolfson: Indeed. What I'm saying is—

Mr Tilson: I've listened to your rationale but I'd like you to be more specific. It sounds like—

Ms Wolfson: I don't really understand what more I can assist you with other than that the Ministry of Consumer and Commercial Relations funding is more than 80% salary and wages. We are not a ministry of transfer payments and huge programs; we are a people ministry. That's how we operate, and indeed we have 59 statutes that we administer through staff.

Mr Tilson: I'm well aware of that. I guess I—I'm sorry.

Ms Wolfson: So the way that we deal with our priorities is to see where the needs are at any one time. As I say, 12.5% might very well have been—again, I will ask Susan Allair to please correct me if I am incorrect, but to the best of my knowledge it was a decision to take certain amounts at random, anything that was perhaps over what we knew was exactly allotted to the staffing in that area at any one time, and say, "This is how we're going to manage this ministry," and have our flex in different places in the ministry as we saw the need.

Indeed, we may transfer funds between and among divisions as the need occurs and as we see what our requirements are to downsize, to pay for training, whatever we have to in order to have the ministry function at its best.

Mr Tilson: Can you tell us the ministry's plans for downsizing staff?

Ms Wolfson: The ministry is presently going through a process where we are looking at how we can best meet the constraints we have and how we are going to use vacancies and attrition and our staff in the most productive way. We do not have, as yet, a specific number of staff that we will be required to downsize. We are merely looking at that. We have had a vacancy management process in the ministry the whole year, so that as we look at our budgeting on a monthly basis, we have made decisions not to hire as necessary outside, for instance. We look very carefully at using the staff within the ministry in its most productive way. I do not have exact figures on what we will have to do in terms of surplusing to meet our budgetary requirements this year.

Mr Tilson: So you're going to be downsizing, but you don't know what. Is that what you're saying?

Ms Wolfson: I would think that we will have to in order to meet the constraints, with no new funds available to the ministry. I would think that we will have to have fewer staff to do that. What we are doing in light of that is working with the considerable expenditures that have been made in this ministry on technology to increase our productivity so that we can provide the service with fewer staff.

Mr Tilson: All right. I'd like to get back to the relocation of the head office. Your plan is to have that completed by what specific date?

Ms Wolfson: I would hope the spring of 1994. That's our target.

Mr Tilson: Can you tell us what your plans are for that, specifically with respect to furnishings, staff: additional expenses that are going to be required?

Ms Wolfson: I will defer to Ms Meslin.

Ms Eleanor Meslin: In terms of furnishings, it will depend on how many offices we need. We are trying to decrease the number of offices so that the arrangements we have made with the company—the place we are leasing will give us additional funding if we do less renovation, and that funding can be utilized for any other furniture we might need, any new furniture.

Mr Tilson: You've made, really, no concrete plans at this stage, then?

Ms Meslin: We are just beginning our planning, as a matter of fact, mainly because we have just found the place with the Ministry of Government Services, the place where we will be relocating. Until we knew where that would be, the floor coverage etc, we were not able to begin planning. We have started it just now.

Mr Tilson: Can you provide a specific breakdown of increased expenditures relating to the head office relocation?

Ms Meslin: I don't understand what you mean by "increased expenditures."

Mr Tilson: Are there not going to be expenditures?

Ms Meslin: There will certainly be moving expenditures. A lot of the expenditures that you would have normally have been taken over because of the leasing situation being so poor in Toronto. The deals that are being made and have been made are to our benefit, as the ministry is paying for a lot of things that we would normally pay on our own.

Mr Tilson: Do you have a financial statement setting forth the details of the move that you can produce for the committee?

Ms Meslin: We don't have any particular ones, other than what the Ministry of Government Services, which details all of that leasing arrangement, has done.

Mr Tilson: Can you provide that for us?

Ms Wolfson: I suggest that's the prerogative of MGS. We don't get ourselves involved specifically with those leasing arrangements etc. The Ministry of Government Services has taken responsibility for our benefit in that arrangement. We do not, at this point, have any detailed information in that regard. There's nothing we could produce for you at this stage. Perhaps Ms Meslin has more information.

Ms Meslin: Just to expand the information, I should let you know that we are not moving by ourselves. We are moving with the Ministry of Financial Institutions. So the arrangement is for two ministries to move into the same location, and Government Services is handling the leasing.

Mr Tilson: Again, looking at page 14, where you have as your explanation for expenditure change from the 1991-92 estimates, "head office relocation project," I would like all details with respect to that.

Ms Meslin: Oh, the \$220,000. We have put aside \$220,000 for the head office relocation project. That is to utilize new information that we may have and for research

that we may have to do in order to determine how we're going to move and in what manner.

Mr Tilson: Can you provide us with details of that?

Ms Meslin: Certainly. I'd be glad to.

Mr Tilson: When would you do that?

Ms Meslin: Next week.

Mr Tilson: Thank you. Are there any other expenditures with respect to this?

Ms Meslin: Not that we know of at this time.

Mr Tilson: I'm getting back to the question. I probably just don't understand your answer, but I don't understand a lot of things in this place. In any event, what relationship, if any, does this expenditure for the relocation have to the increased salary and benefit costs that are set forth in these estimates?

Ms Meslin: It has no relationship to that.

Mr Tilson: Okay. I would like to turn to the liquor licence board. I would like to ask a question of the chair. Is she still here?

Hon Ms Churley: She had to leave.

The Acting Chair: I understand, Mr Tilson, that she had to leave. But she'll be available on Tuesday, if you want to hold a question for her.

Mr Tilson: Okay. I guess we'll have to do that. Mrs Marland has some questions.

Mrs Margaret Marland (Mississauga South): Madam Minister, could you tell me what the profits were last year of the Ontario Lottery Corp?

Hon Ms Churley: I'm sorry, no. In fact, the Ontario Lottery Corp comes under the purview of the Minister of Tourism and Recreation.

Mrs Marland: Oh, I'm sorry.

Mr Tilson: We'll get them next.

Hon Ms Churley: Yes, right. I can see David in his tie there.

Mrs Marland: That certainly takes care of that question.

Hon Ms Churley: That takes care of that one. Next.

Mrs Marland: All right.

Mr Tilson: Do you want to give the floor back to me?

Mrs Marland: If you want it, but I do have a concern.

Mr Tilson: Go ahead.

Mrs Marland: You notice I'm wearing the white ribbon today, at a time when everyone else is wearing the blue ribbon.

1710

Hon Ms Churley: Yes.

Mrs Marland: My concern is that something isn't working in terms of what is being forwarded from the Ontario Film Review Board to our local cinemas and our living rooms in the form of entertainment. It's that simple as far as I'm concerned. It's not working in terms of community standards.

This is an issue that I personally have been involved with for a very long time as a city and regional councillor,

long before I came to Queen's Park, and goodness knows, I feel like I've been here a long time.

I know you're aware of the fact that the House supported unanimously a resolution I introduced last spring dealing with the definition of "obscenity" and how some areas were difficult for us to deal with in the provincial government because of the Criminal Code being under the purview of the federal government.

Of course, we've had a judgement made by the appeal court which has established some further parameters for the subject of what is acceptable in terms of entertainment.

I'd like to know from you, Madam Minister, as the person representing the Ontario government, how you feel about the job the Ontario Film Review Board is doing in interpreting the community standards that exist today in Ontario.

Hon Ms Churley: First of all, I would like to take this opportunity to introduce Dorothy Christian. She's the new chair of the board and has taken on quite a big job. Thank you for it. I will answer this question, but perhaps you might like to be available for other possible questions.

I'm satisfied that the policies of the OFRB relating to the classification of films and videos, particularly the type you're talking about, Mrs Marland, the adult set's films, are consistent with the decision of the Supreme Court of Canada.

You and I have communicated about this. I know it's a big concern of yours. You have written me letters and I've tried my best to clarify, and I will attempt to do that again today.

The OFRB has always refused to classify for distribution any films or videos containing scenes in which sex is coupled with violence, is degrading or dehumanizing or involves minors or the portrayal of minors. We have board members who are appointed from the community, from all walks of life, from all regions of the province, to bring their community standards to that board.

They also take court decisions into account. You mentioned the Criminal Code and you're quite right; this is where things get difficult from time to time. But the board does try to pay attention to court decisions. However, they operate under the Theatres Act and try to do their best to make sure they talk to their neighbours. They visit and talk to groups all over the province that have an interest in this issue, and bring those standards back to the board.

Mrs Marland: By the way, a few minutes ago, I said the appeal court. I meant the Supreme Court of Canada and its decision about the distinction of clarifying what is obscene.

I feel, as a minister of the crown, you have to be as concerned as I am and as large, large numbers of the public are. I'm young enough to remember the Judy LaMarsh commission, I think at a cost of \$4 million, which looked into the effect of violence in television, movies and print media on society. I feel that the only handle we can make in our province is through the Ontario Film Review Board. From time to time, when I get really immersed in this subject—and I've been to the Ontario Film Review Board, though I have not been for the last three or four years—the answer that I get from that board is, "We respond to the

community standards, and if we get phone calls and letters from members of the public based on what is showing in the local theatre or what they've been able to get at the local video store, then we accept that as a record of what is acceptable to the community."

But I simply say that this system is not working. We as legislators are not taking responsibility for the direction of what is going on out there in the community. We have to be pretty naïve not to accept the fact that entertainment is not what it used to be. I'm not talking about stag films, I'm not talking about explicit sex; I'm talking about what, by definition, is pornography. Pornography is available out there, regardless of what the community standards are that the Ontario Film Review Board has established.

The kind of stuff that's available today used to be available under the counter somewhere else, always, in the States. It's now available not even under the counter. We now have adult video stores which cost a lot of money in terms of the police forces around this province, to try to police what is available there. There is something wrong when the public keeps saying to us, "How is it that this stuff is permitted to be available, both retail and renting through video stores, and we go to the local cinema and we now see a whole lot of stuff that we would never have seen even five years ago, let alone 10 years ago?"

Something is wrong. Somebody is copping out on a responsibility, I think, to interpret community standards. Quite frankly, if we went out on the street here and stopped the first dozen people and said to them, "If you saw something that was really appalling, in your opinion, at the local cinema, would you know what to do about it," of course, none of them would. I doubt if one in 12 people would say, "Oh yes, I know all I have to do is phone the Ontario Film Review Board, or write to it, and it records that as a comment on that film and then interprets it from then on as a benchmark for community standards."

I'm suggesting to you that there must be more that we can do than to sit back and say, "If that's what the public wants for entertainment, it's okay with us." It's not okay with us, and the reason it's not okay with us is that this pornography, for the most part, falls in the hands of the age group between 14 and 18. Now, we can sit back again as legislators and say, "Oh yes, but that's the parents' responsibility." We have a responsibility to those people in society who don't have parents who look after them and decide what their entertainment will be or who are not there 24 hours a day. As a society, there are people whom we have to look after: the frail, the disabled, the elderly, the sick and so forth. There's also a whole other group of people who, in my opinion, we have to look after.

I really don't see a whole lot of things happening. I wrote to you as the minister responsible for the Ontario Film Review Board, I wrote to the Minister of Education, I wrote to both of you and the Minister of Culture and Communications, about a film that was shown at 9:30 at night on TVO about homosexual relations and how to go about it. Now, that film was shown on our own government-owned television network at 9:30 at night. I received real copout answers from all three of the ministers: yourself and Ms Haslam, the Minister of Culture and Communications; and

even worse, the worst answer I got was from the Minister of Education, who I thought would be very interested to know that TVOntario was telling young people in this province at 9:30 at night how to develop homosexual relations.

1720

There is something radically wrong when this stuff is going on all around us and we don't face the responsibility that I think, frankly, we all share. But certainly, as far as I'm concerned, it is the absolute responsibility of the government of the day to do something about it.

I respect the fact that we have a new chair of the Ontario Film Review Board and I certainly welcome her to that position, but no matter how talented a person she or he is, it's not something that he or she can get a handle on unless the government shows some leadership in establishing, on behalf of the community, standards for entertainment that you will tolerate personally as a minister.

I'll just say one other thing. It's not something that's obviously happened in the last two years; it's something that's been escalating, I would suggest, over a decade. When I was a city councillor, the worst murder we had in Mississauga was of a 16-year-old female by a 14-year-old male. It was directly attributable to a pornographic film the 14-year-old male had been able to get at the local video store, which had been approved by the Ontario Film Review Board.

The police who investigated that murder said at the time that they were so sickened by what they had seen. Veteran members of the Peel Regional Police force had never seen such terrible things done to any human body. When they found the 14-year-old who was responsible and they went back to his home, in his bedroom they found pornography from a magazine pinned up all over the walls depicting some of the things he did to this 16-year-old female, plus this video which showed the rest of the things that he did to her before she died and after she died.

All I'm saying is, if we don't take control and assume our responsibility in this area, who will? Who does? The people who are elected, the legislators? If we don't assume responsibility, who will? I'm asking you, as the minister responsible for that part of what has now become a multi-million-dollar business in this province, what you're willing to do.

Hon Ms Churley: It's partly a question of what I'm willing to do and what I can do. Let me first say that you yourself, at the beginning of your question, brought up the reality that obscenity is defined by the Criminal Code. The province has no jurisdiction or ability to define obscenity. You're aware of that.

Having said that, I just want to say we all know that the topic of film classification and censorship is very complex and that it is both a moral and a political question. There are many different views on the question of—

Mrs Marland: How is it political?

Hon Ms Churley: As I'm just saying, you expressed an opinion yourself on the complexities of pornography, who defines it and how it's defined. The issue of censorship enters into that.

What the board attempts to do with its community members, and perhaps Dorothy as a new chair but who's also been a board member can add to this, is to make sure that it is aware and sensitive to the kinds of issues that you are talking about. For instance, it is not their responsibility to monitor access to these videos, which is another question I think you brought up, but in terms of their job in such a sensitive area, they are very clear about some of the kinds of depictions that I described to you earlier. They do not classify those kinds of films.

We know that there have been seizures by the police of some films. We also know that they have not been classified by our board, and that has been a problem in the past, with the underground ones.

I also have to tell you that the board is not responsible for television or magazines. In that case, you would have to talk to your federal brothers and sisters in Ottawa about those particular areas.

Mrs Marland: We're pretty responsible for TVO, I would suggest; your government is.

Hon Ms Churley: Through Culture and Communications, yes, but the film review board has no jurisdiction over that area whatsoever.

I have gone on record as being alarmed by, in particular, the violence that we're seeing not just in pornography but overall in films. I'm concerned about it. I'm concerned about violence against women and I think as legislators, we do have a responsibility to—

Mrs Marland: Have you sat down with the Ontario Film Review Board members and told them what your personal concerns are about the kind of material it is approving for distribution in our local cinemas?

Hon Ms Churley: I have gone on record in fact of having talked on more than one occasion to the board about my concerns. There are, as you know, many information pieces.

One of the things you may be interested in is that in some informal consultations and talks that I had with mostly groups in my own community about this issue, because it is one that I think we're all concerned about, I heard that people want information. That's what I heard time and time again: They want information.

There are some information pieces now. As you know, the board will classify a film but also will put out different kinds of information—you'll see it in the newspaper and at theatres—about what's in the film so that parents can make choices about what they'll let their kids see and adults can make choices about what they go to see.

I think, from what I've heard, people want us in fact to include more information. The more information they get so they can make informed choices, the better. I think that's an area in which we want to see more work done, and I would like to see perhaps some possibility of giving information about extreme violence against women, which is becoming quite dominant in mainstream films, as you know.

Those are the kinds of things we're looking at that I think it makes sense for us to pursue, and if you have any ideas about some of these information pieces—

Mrs Marland: The public doesn't want to see it.

The Acting Chair: Unfortunately, the time is up in rotation. We have to go to the Liberals again. Mr Cordiano.

Mr Cordiano: I'm just going to take the next 15 minutes and then I'm going to have to run, unfortunately.

The Acting Chair: There will be a vote anyway.

Mr Cordiano: Okay. We're going up to the House to vote. Perhaps I should just finish off with the questions where we left off. I know we're playing musical chairs here, but we'll go back to our favourite subject for just perhaps one last question or two.

This is a very specific question. I know you've indicated a dollar figure for the task force and I think it was \$2.5 million, in that neighbourhood. Did that figure include the capital costs that would be required for the pilot project to be commenced?

Ms Wolfson: I think Whipple Steinkrauss would be the best person to answer questions.

Ms Steinkrauss: No, that figure is for the casino project team for preliminary research for all of the work in reviewing the pilot project. It is not capital costs, no.

Mr Cordiano: Okay, that's fairly obvious. What are the capital costs going to be?

Ms Steinkrauss: Until a decision is taken on the exact model and the nature of it, that's impossible to respond to at this time.

1730

Mr Cordiano: So you're working with an open-ended budget on this?

Ms Steinkrauss: No, of course not.

Mr Cordiano: That's what it sounds like. I don't mean that to the staff.

Hon Ms Churley: You mean that to me.

Mr Cordiano: I mean that to you, yes.

Hon Ms Churley: I know I'm the target here.

Mr Cordiano: No disrespect to the staff.

Hon Ms Churley: We are still in the process, as we've already said, of deciding on what model will be in place, and obviously the capital cost will depend very much on that model, the operating model.

Mr Cordiano: Why is that? Give me some reasoning behind that. You obviously have thought about this in some way, shape or form; therefore you would have some indication as to what parameters would be involved if you chose model A or B or C. Just enlighten me a little bit.

Hon Ms Churley: First of all, it will depend, for instance, whether the infrastructure is already there or if a new building has to be constructed. It will make a difference.

Mr Cordiano: So if the building's constructed, those costs will be borne entirely by the province?

Hon Ms Churley: No, that's not necessarily true either. We will have to decide in the process of deciding the site and what kind, if any, of partnership we will have with any of the private sector. Again, those are the areas where we will be making decisions fairly shortly.

Mr Cordiano: Are you entertaining proposals at the present time? Is there is a process in place? What are

people to understand from the announcement now and the plans you have in place?

Hon Ms Churley: There was a meeting on October 20 and there were some principles determined at that time.

Mr Cordiano: Principles.

Hon Ms Churley: Yes. At this point, the answer to your question is—

Mr Cordiano: Ah, we at least have some principles now.

Hon Ms Churley: We do, yes.

The Acting Chair: The minister has the floor, please, Mr Cordiano.

Hon Ms Churley: That the bidding process will be a fair and open process; that the proposals already developed do not have an advantage over any other proposals that may be received; that all proposals must meet the criteria and comply with the conditions of the RFP to be considered, and that the final decision will be made by the government of Ontario. Those principles were agreed on at that meeting.

Mr Cordiano: I could say to you, being somewhat a cynic, that in your press conference—I mean, you've pretty well mimicked what you said there, that the province would decide. Those aren't really guiding principles. Yes, they're vague, they're general. I was more interested in shedding some light on—you know, you're going to bring in the private sector. What views do you have, if any, at this time?

It's probably that you don't have any views about the kind of proposals you're going to entertain because you haven't decided whether you're going to go private sector on this or a combination of that. I think it's reasonable to ask that we get some decisions made on this if you're going to move ahead in 1993. You haven't given us a specific date, but have you a date in mind? You said some time in 1993. What, mid-1993, the beginning of 1993? When will this be up and running?

Hon Ms Churley: First of all, the request for proposals will set out specifics for each bidder, and we will be making the decision on the model at that time.

Mr Cordiano: Based on what—

Hon Ms Churley: In terms of your question about—I'm sorry, I must be getting tired, I'm—

Mr Tilson: Seeing double.

Hon Ms Churley: Seeing double, yes. It's your tie, Mr Tilson. I'm sorry, I—

Mr Cordiano: I wouldn't want you to answer when you're tired.

Hon Ms Churley: No, no, let's continue here, if you just remind me of the specific question you asked at the end.

Mr Cordiano: What I'm trying to say is that you're putting out proposals. But I quite frankly do not understand how you're proceeding if you don't have—you're putting out proposals for what? You don't have a model selected, so how can you put out proposals? I'm having trouble understanding the way in which you're operating,

the criteria you're using. What comes first? What comes second?

Hon Ms Churley: We're looking at the models now.

Mr Cordiano: I don't know how much more simply I can ask that question.

Hon Ms Churley: You're quite right, and the answer is quite simple. We're looking at the models now.

Mr Cordiano: So you're going to be making a decision on the type of model and then call for proposals.

Hon Ms Churley: That's correct, yes.

Mr Cordiano: How are you going about making this decision? Based on what parameters? What criteria are you using to determine the type of model?

Hon Ms Churley: I'm going to—

Mr Cordiano: Just let me finish here. What consultation process have you undertaken to make that very crucial and important decision about the type of model you're going to implement here?

Hon Ms Churley: Perhaps I can turn that over to Domenic.

Mr Alfieri: With respect to the prospective consultation, a lot of this will come out of our dialogue with the city of Windsor and with the various stakeholders in Windsor. Right now, again, we are looking at Windsor as a pilot, not only to develop the model for the pilot but also to develop the parameters for model selection. We propose to do this over the next couple of months, as was indicated earlier, at which time we can be coming forward with the various options of models, the pros and cons of the various options, which range all the way from government-owned and government-run to private and so forth, and with our advice to the minister as to how that should be—beyond that, we will then need to develop the criteria for requesting proposals.

As you are probably aware, some proposals did come forward at the beginning of the year, primarily to Windsor. The city of Windsor was already in the process of looking at those, and when the minister met with the mayor and senior officials last week, this was where these principles came out, that any proposal that had already been provided, submitted and considered would have no advantage over any future proposals, that we could not get involved in assessing or evaluating proposals until we had developed the criteria for the request for proposals.

That will happen. The work-up will proceed in conjunction with the review and the analysis of the various models. But until the model for Windsor is chosen, it will not be possible to put out the request for proposals.

Mr Cordiano: Help me understand this. We're going to run out of time shortly, but—if Windsor is not to share in any of the direct revenues that are generated, then can I ask what it is that you're consulting with it about with regard to the model that's going to be selected? You seem to be placing a great deal of emphasis on this consultation that's taking place with the stakeholders, as you put it, in Windsor, but I fail to understand how that will help the cabinet make a decision about which model, in the end, is to be used in Windsor, which inevitably will be the same

model used, I would assume, throughout the whole province, unless you're going to have one type of casino in Windsor and a different type of casino anywhere else that we choose to have one.

Mr Alfieri: The assumption the project team is working under is that no decisions have been made with respect to any type of model, both management and operational. This is the type of decision and work-up that will be done over the next few months, and once we are ready to go to cabinet with the various options, the minister and cabinet will decide on that.

What we had to do with the city was that the city, through its own consideration of the casino project, had initially passed a number of resolutions which subsequently were rescinded in favour of other resolutions. What they have expressed already is the type of model they would like to see—

Mr Cordiano: What was that? Could you just reiterate for us here?

Mr Alfieri: The most recent resolution, which is about two weeks old, indicated that they rescinded the previous resolution, which had already predisposed who should operate it, who should manage it, who should run it, where it should be located, in favour of one that said that it should be government-owned and government-operated, that part of the revenue should accrue directly to the city; in other words, from the casino to the city as opposed to any other—

Mr Cordiano: As opposed to the province.

Mr Alfieri: And that it should be located downtown. Without pre-empting their resolution, the minister indicated to the mayor and staff that it was too early to make those kinds of decisions. Then, the principles that she has just recently articulated were developed to make sure that when we meet with the city—you know, they're major stakeholders. The casino is going to be located in their municipality, so along with other stakeholders they are major ones we will want to consult and hear what they have to say in the process of the project team arriving at the development of the options, which we can then present to the minister for consideration.

1740

Mr Cordiano: With all due respect, this is precisely my point. You have a council resolution which has been passed and which I heard about. That's why my line of questioning. The expectations in Windsor have increased so much, to the point where you have resolutions now that indicate the city wants to have the revenues flow back to the city directly from the casino. Those are incredibly high expectations which, as I say, there is a failure to recognize in terms of the process you have in place. I can see that leading to a great deal of distress on behalf of the people in Windsor as to what they can reasonably expect from this government.

That's why I'm so pointed in asking my questions about what you've made clear to these people. There are all kinds of indications that they're going to receive a big bonanza at the end of the day, and I don't think that's very fair. I think the impression has been left, particularly with the average citizen in Windsor, that the city is going to

benefit dramatically, directly, from the revenues generated by that pilot project, and that's not the case, as you've clearly indicated today.

Hon Ms Churley: First of all, the government has never given any indication that there would be revenue sharing. I am not surprised, having sat on a municipal council myself at one time, that the council and the town are going to do their best to get anything they can; that's the way it works. But they have not been given that impression by this minister. The reality is that I've been very clear about that, or I feel I've been very clear. But of course, they're going to try to negotiate and get even more than the spinoff benefits, which they know very well they will get.

Mr Cordiano: I can only say this: When you move ahead without a very clear idea, without a clear understanding, without a set of parameters, without a set of principles or guidelines indicating what's to take place, what else can you expect?

Hon Ms Churley: What I can tell you is that the people in Windsor and the council and the mayor of Windsor are very pleased with our decision, and in fact I have established a very good and clear working relationship with them.

Mr Cordiano: I have no doubt—

Hon Ms Churley: But wait a minute. I think we have to be very careful here. We have a common goal here, and that is the controlled and careful implementation of a casino in Windsor. We both agree, both sides agree, that that is the common goal: that it is well-regulated, that it is crime-free and that it will work for the city. We are not—

Mr Cordiano: But the city has a tremendous expectation. After suffering through a terrible recession, after losing terrible amounts of revenue to cross-border shopping, after suffering all that Windsor has suffered and the number of layoffs that have occurred there, you know as well as I do that they're looking for economic answers.

This government made commitments along those lines. Part of the reason you've announced this is as an answer to the economic woes of Windsor. That's fine and good, but the fact is that the people have been left with an impression there. As you say, at no time did you indicate those revenues would be shared, but the fact remains that people have a definite impression, a definite expectation, that revenues will be flowing to the local community directly, as a result of the gambling casino that's been set up. That is entirely the opposite of what I'm hearing. The expectations are not going to be met, and that's what I'm saying here today.

Hon Ms Churley: Again, I want to remind you that this is only a small part of the economic agenda. Windsor is very clear, as we're very clear, that one casino in Windsor is, unfortunately, not going to answer all the economic woes in the area.

However, having said that, Windsor, the municipality and the mayor and I think the people of Windsor, are happy to see that the casino is coming there and that they can enjoy the spinoff benefits. They have hotels there that are half empty. They have restaurants there—

Mr Cordiano: But we're not talking about the spinoff—

Hon Ms Churley: Oh, yes, we are.

Mr Cordiano: We're talking about direct revenues which they now—

Hon Ms Churley: Yes, I understand.

Mr Cordiano: —as a result of what you've said—

The Acting Chair: Let the minister finish, please, Mr Cordiano.

Hon Ms Churley: I think this is an important point.

Mr Cordiano: I think it's important to clarify.

Hon Ms Churley: We both feel this is an important point. I understand what you're saying, but I think it is very clear to Windsor, and Windsor understands, that the major benefits they will reap from the casino in their town are the spinoffs, which they are anxiously waiting to have happen. We agreed that we would like to get it up and running in 1993, for that reason.

But our bottom line, on both ends, is that we do it carefully, we work together and do it right so it works for the community. That is what we're working on right now. Of course we haven't gone into Windsor and plunked down a model: "This is it. This is what you have to have because we say so." We have some ideas, and we're putting ideas on the table. We want to make sure it's properly enforced and properly regulated, and so does Windsor. On

the whole, we're agreeing on things, but we don't have the right to come in and just plunk down a model on that town, so we're working with them to make sure that we can reach consensus, hopefully, on some of these issues.

Mr Cordiano: That's very fine and good. Obviously you want to have the type of arrangement which satisfies people there, but I just want people there to be clear that in fact the revenues you generate will not be shared with the people in the local community directly; that there are a number of things which you still have to consider which are provincial decisions; and in the end, this government is making the decision about the type of model, if I understood correctly, that will be implemented, which also has revenue implications and implications with respect to impacts on the local community: increased policing, social ills, you name it.

Hon Ms Churley: Right, and I believe you're raising some interesting and important questions. But the bottom line is that Windsor is very, very happy about this decision.

Mr Cordiano: We'll leave it at that.

Hon Ms Churley: We can leave it at that. Windsor is very happy about this decision.

The Acting Chair: As I understand it, there is going to be a vote at quarter to, so what we will do is adjourn the committee for today and reconvene on Tuesday afternoon.

The committee adjourned at 1747.

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- *Cordiano, Joseph (Lawrence L) for Mr Sorbara
- *Fletcher, Derek (Guelph ND) for Mr O'Connor
- *Haeck, Christel (St Catharines-Brock ND) for Mr Ferguson
- *Rizzo, Tony (Oakwood ND) for Mr Perruzza

*In attendance / présents

Also taking part / Autres participants et participantes:

Tilson, David (Dufferin-Peel PC)

Clerk / Greffier: Decker, Todd



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Mardi 3 novembre 1992



Standing committee on estimates

Ministry of Consumer and
Commercial Relations

Comité permanent des budgets des dépenses

Ministère de la Consommation
et du Commerce

Chair: Cameron Jackson
Clerk: Todd Decker

Président : Cameron Jackson
Greffier : Todd Decker

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 3 November 1992

The committee met at 1531 in committee room 2.

MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We've reconvened to complete the estimates of the Ministry of Consumer and Commercial Relations. According to our clerk, we have four hours and 25 minutes remaining, but as previously indicated, there may be some agreement that we may be able to complete our estimates today.

When we were last together, Mr Cordiano had the floor. I'm going to recognize Mr Tilson in this rotation. However, I should acknowledge that the minister has tabled a response to one of Mr Tilson's questions, and the clerk has circulated that. Mr Tilson, it was your question, so I'll leave it at that and hand you the floor.

Mr David Tilson (Dufferin-Peel): While that's being distributed, I would like to ask one question on the relocation of the head office, but I have a couple of other questions on the Windsor gambling casino issue, perhaps to Ms Wolfson. It has to do with the project team. The native liaison position on that team is vacant. Can you tell me, will that position be filled, and when?

Ms Judith Wolfson: I think it would help me if Mr Alfieri and Ms Steinkrauss assisted, since they are more directly involved with the staffing of it, Mr Tilson. I couldn't help you exactly with who is in which position at this point in time.

Mr Tilson: There is a form that we received—somehow I got it—that indicated the makeup of the project team, and that position, at that time at least, was vacant. Maybe it's filled now.

Ms Wolfson: Perhaps Ms Steinkrauss and Mr Alfieri can assist us with the specific staffing.

The Chair: They have been introduced. Welcome, and please respond accordingly.

Ms Whipple Steinkrauss: If I can respond to that, I do not believe it's been filled, unless it's been filled very recently. There's been an effort to fill that, and I think discussions have taken place with individuals, but at the present time no one has accepted the position, so we're continuing to pursue filling it.

Mr Tilson: Why are you offering that position to the native peoples for that particular experiment?

Ms Steinkrauss: Quite simply because the native community has expressed an interest in this initiative. We will have to carry on discussions with them, and we would need such a person to do that.

Mr Tilson: Will you be offering a similar position to someone from the racing industry, which has also expressed an interest in the business?

Ms Steinkrauss: There were no plans to do that, no.

Mr Tilson: Why would they be treated any differently than the native peoples?

Ms Steinkrauss: Since our own ministry has a long-standing regulatory responsibility and liaison role with that industry, we already have people in our policy shop who work with the racing industry on an ongoing basis.

Mr Tilson: How does your project team intend to communicate with the racing industry on this specific project?

Ms Steinkrauss: It would be through our own policy liaison people in the policy branch of the ministry, and certainly on a day-to-day basis there have been a number of interpersonal contacts with the staff at the commission as well. But we do have a policy liaison function.

Mr Tilson: In any event, the native position hasn't been filled, notwithstanding that they will be having their own gambling casinos on their reserves?

Ms Steinkrauss: Certainly discussions have taken place with native persons. The position is not yet filled. I can't speak beyond what kind of participation they'll have in this project at this time.

Mr Tilson: Thank you. I have no other questions on that subject.

Perhaps we could turn to the response to the relocation of the head office. I thank you very much for the written statement you've prepared. I don't know who prepared it. Ms Wolfson?

Ms Wolfson: Our staff.

Mr Tilson: Yourself? It appears that this plan will not be proceeded with in the coming year because of the lease extension.

Ms Wolfson: So I understand. Correct. I think the best person would be Eleanor Meslin, our assistant deputy minister of corporate services, who indeed has already been introduced.

The Chair: Welcome, Ms Meslin.

Ms Eleanor Meslin: Thank you. In terms of this particular relocation, it's not taking place only because we have been able to extend our lease in the current location until the new location is ready for occupancy in 1994.

Mr Tilson: There's an interesting statement in this response the ministry put out. As it turned out, "The lease was extended and the funds will be applied to other urgent pressures within the ministry." What does that mean?

Ms Meslin: Well, because of our constraints, we've had to cut back on a number of things, particularly in some cases buying particular equipment.

Mr Tilson: Why would those—

Ms Meslin: We have utilized it.

Mr Tilson: Why would that equipment not be in the estimates in the first place?

Ms Meslin: Well, it would have been in the estimates. Then from the time of the estimates until this time, we had another constraint and we had to cut back on a number of purchases, which we have put aside in the hope that if we had extra money, we would be able to go ahead with those purchases. This was that extra money and we have been able to go ahead with some.

Mr Tilson: What are the purchases that you have planned for?

Ms Meslin: One of our major branches, the human resources branch, has had no computers at all, and we had been trying to purchase desktop computers for them for a while. We have now been able to purchase several of those to get them set up.

Mr Tilson: This amount that was set up was originally \$220,000?

Ms Meslin: Yes, that's correct.

Mr Tilson: So that's going to go into desktop computers? Anything else?

Ms Meslin: Some of it will go into desktop computers.

Mr Tilson: Yes.

Ms Meslin: I don't have exact figures here today about how the rest of it will have been spent.

Mr Tilson: I wonder if you could file with the committee a breakdown of what you propose to do with the \$220,000.

Ms Meslin: Yes, certainly. Be glad to.

Mr Tilson: And when could we have that available?

Ms Meslin: This week.

Mr Tilson: Thank you.

Mr Chairman, I would like to ask some questions on registry offices. I suppose I should ask Mr Daniels and Ms Wolfson.

Hon Marilyn Churley (Minister of Consumer and Commercial Relations): Yes, Mr Daniels is the expert here.

Mr Tilson: Is he the expert on registry offices?

The Chair: Mr Daniels, please introduce yourself for the record and proceed.

Mr Art Daniels: My name's Art Daniels, assistant deputy minister, registration division.

Mr Tilson: This is all dealt with in, what, page 56 of the estimates, the subject of registry office closings? Where is that?

Mr Daniels: The registry office closings would be under the registration division section. It's vote 905.

Mr Tilson: I think it's page 56. I just want to make sure I have the right section.

Mr Daniels: Yes, you do.

Mr Tilson: You recall, I'm sure, that there were a number of registry offices that were closed and consolidated with other offices throughout this province, which created a great deal of political difficulty, I'm sure, for the ministry. At that time the minister made comments that there would be substantial savings.

Now that the consolidations have taken place, I would like you to provide me with some written statements, and also to comment. I can just tell you one office that I'm familiar with, and that is the closing of the land registry office in Arthur and the moving of that to, I believe, Guelph. I know there would be some substantial renovations required to Guelph, which is already cramped for space. I would like you to comment on the renovation costs generally and then undertake to provide the committee with a statement as to all of the renovation costs throughout the province, but specifically, because that's the one office I have some knowledge about, the Guelph office.

Mr Daniels: Minister, do you want to take the general question? I can provide the details.

Mr Tilson: Your choice.

1540

Hon Ms Churley: Go ahead.

Mr Daniels: First of all, in terms of savings across the province of Ontario, the ministry, in consolidating its land registry offices, is following up on a number of recommendations over the years. In fact, I brought a 1976 document recommending that we consolidate our land registry offices in terms of their volume, their size, the investment in capital, the buildings and the staff, and that it would be best to consolidate and offer these services in a more—

Mr Tilson: I'm aware that this was discussed in the past, and of course I think the Conservative government changed its mind as a result of pressures that were put forward by the public, and that decision was reversed.

Mr Daniels: Yes, but as a result—

Mr Tilson: I'm interested specifically in the costs.

Mr Daniels: Okay. The savings to the ministry at the time were related to manpower and were close to \$1 million. This would be the reduction of the senior positions, the land registrar in each of those 10 offices. That job was deleted, and our major accounts were close to \$800,000 in salary and wage savings. The rest of the savings—

Mr Tilson: If we could just stop there, Mr Daniels, what would happen to the land registrar in Arthur?

Mr Daniels: The land registrar in Arthur went to a vacant position of land registrar in Walkerton.

Mr Tilson: Yes?

Mr Daniels: The money was already there in Walkerton for a land registrar; therefore, we would save the full cost of the land registrar in Arthur.

Mr Tilson: And the remaining staff?

Mr Daniels: The remaining staff in the Arthur office transferred to Guelph.

Mr Tilson: And they are currently working in Guelph?

Mr Daniels: They work in Guelph.

Mr Tilson: And the cost of closing the land registry office in Arthur?

Mr Daniels: The cost of closing the land registration offices—and I brought a list with me and I can answer it—I think the saving, just to put it in context, for salary

and wages is an ongoing saving. That money accrues to us every year, ad infinitum. The cost of the capital improvement is a one-time cost met last year, and I brought the list of the costs. If you'll give me two seconds and I'll be able to read them all into the record.

Mr Tilson: Just while you're looking for that, who owned the registry office in Arthur? Was that rented or did the government own that building?

Mr Daniels: The land registry office in Arthur would be leased from the county, as opposed to a government—

Mr Tilson: The county owned that?

Mr Daniels: Yes. Regarding the cost of consolidating the land registry offices—and I'll go through them all and start with the lowest cost and move to the most expensive—the cost of consolidating Glencoe and London was zero. No physical costs were related to the closing of the Glencoe office and the retrofitting of the London land registry office.

Mr Tilson: No, but there'll be a cost of moving, surely.

Mr Daniels: Just the cost of moving, but this is in terms of capital improvement, leasehold improvement.

Mr Tilson: All right. Yes.

Mr Daniels: The cost for closing the Bowmanville office and moving into Whitby, again no cost whatsoever in terms of physical costs.

Mr Tilson: You have all this set forth in a statement, do you, Mr Daniels?

Mr Daniels: Yes, right here.

Mr Tilson: I think it would be useful, rather than your itemizing that in detail and reading it into the statement, that you simply make the statement available to us.

Mr Daniels: Sure. I think the important thing is that they're one-time costs and the largest cost—most of them were zero, some of them were \$1,000, some were \$2,000—was in Kitchener for \$33,000, and that was bringing the Cambridge office to the Kitchener office, but the costs display out very insignificantly.

Mr Tilson: You can produce that and then we can look at that, but I would like to stick strictly with Arthur and Guelph for the moment because, as I say, I'm not familiar with the other offices. I've been in some of them.

The Arthur office then, would you have to terminate a lease, pay off the county of Wellington for a lease, or how would you do that?

Mr Daniels: Again, this would be through Government Services, which is our landlord, and it would arrange leases. Where it's a government-owned building, they are the landlord; where it's a leased building, they would negotiate the lease.

Mr Tilson: Are you privy to that information?

Mr Daniels: No, I am not.

Mr Tilson: So we don't know the cost of winding up certain facilities.

Mr Daniels: We would know the costs related to our investment in the Guelph office to make it available, the books and stuff that are transferred.

Mr Tilson: All right. You don't have that?

Mr Daniels: No.

Mr Tilson: Can you get that information for us?

Mr Daniels: I would think that comes from another ministry. I could attempt to get it.

Mr Tilson: Could you?

Mr Daniels: Sure.

Hon Ms Churley: If I might, I can check with MGS and try to provide that information for you.

Mr Tilson: Thank you. The issue with respect to Guelph, there would have been some reconstruction costs in Guelph?

Mr Daniels: Yes. The cost of reconstruction in Guelph—and this is the one figure too—is in the \$22,000 range; \$22,300 to be exact, a one-time expenditure.

Mr Tilson: I hope so.

Mr Daniels: Yes. Compared to the \$800,000 salary and wage savings for ever, as opposed to a one-time—

Mr Tilson: Eight hundred thousand dollars, what do you mean by that?

Mr Daniels: Through all the closures—

Mr Tilson: Oh yes, I understand.

Mr Daniels: It saved us \$800,000.

Mr Tilson: That may or may not be the case, although you're still paying those employees.

Mr Daniels: No, we're not paying them at all. They're in positions that were vacant. Let's take the example of Arthur, where the land registrar transfers to a vacant job in Walkerton, where the salary is there. That means the salary in Arthur is turned over to constraint. As you can see in our estimates, our salary and wage account was constrained by that \$800,000.

Mr Tilson: How many staff were there in Arthur who were moved to Guelph?

Mr Daniels: One other.

Mr Tilson: Were there any people who were simply laid off?

Mr Daniels: No people were laid off in the entire exercise across the province. All staff were placed.

Mr Tilson: As a result of the move to Guelph, did Guelph have to retain the services of other employees?

Mr Daniels: No. Because our salaries were constrained, we had to live within our salary allocation, so no additional staff were hired across the province. In fact, as part of our salary and wage constraint, we basically eliminated the majority of our contract employees in order to live within our salary and wage account.

Mr Tilson: If that's the case, I guess my concern is that if the staffing has been cut back, will the service at the various registry offices be as efficient as it was in the past?

Mr Daniels: Absolutely. In the present state, I think we've been a very responsible employer. Throughout the mid-1980s the process of land registration increased in Ontario to almost approaching two million transfers. That began to decline in the late 1980s. As it declined—it has declined to about 1.5 million from two million—we began to reduce our staff. In fact, the land registration staff in

Ontario has been reduced by close to 300 positions, all by attrition, redeployment and placement of people.

Mr Tilson: Madam Minister, I hope this position is correct, that the service will be as good as it was, because clearly, in the recession people are not buying and selling houses the way they were. The services that are required in registry offices are way down. I hope when this housing market changes—I'm sure it will, perhaps when some of your policies change—the service that is being provided in these registry offices will be able to cope as well as it could in the past. I don't know whether you have any comment on that.

Hon Ms Churley: Yes. I think this is a case where we can say that working efficiently with less resources is something I'd like to commend Mr Daniels for being able to achieve. As I said before, it wasn't an easy decision to make, but this government didn't shy away from making tough decisions. It's a decision that had to be made and we believe it's working out quite well. It is saving the government, and therefore the taxpayers of Ontario, money.

There are some benefits to this as well. For instance, in some cases title searchers no longer have the inconvenience of having to go to two different registry offices and sometimes the sheriff's office all in one day to find the records for their county.

Mr Tilson: I can tell you that's not correct, because the people in the Arthur area, having been able to travel to Arthur in the past, now have to travel a considerable distance to Guelph, where they didn't have to travel that distance in the past. We've been through that in one of the committees and you know perfectly well that the people in the legal community, the land-surveying community and the real estate community simply are saying that their costs and ultimately the consumers' costs will be substantially higher because of the additional cost the people who use these services are now being put to.

Hon Ms Churley: What I'm saying is that obviously that is not true in all cases. Cambridge and Kitchener are an example where it is a convenience. The goal here was to meet our government's commitment to cost efficiencies in the public sector and also to make the provision of services more equitable across the province. As you know, there are some counties that always have had only one. I recognize what you're saying, that there are some inconveniences caused for some people, but on the whole, it has made the system more equitable and cost-efficient. Overall, I think it was a very positive move for the government to have made.

1550

Mr Tilson: Madam Minister, with respect to the registration, vote item 905, as Mr Daniels has indicated, cuts have been made across the board. At the same time, revenue expectations are down by close to \$12 million over the previous year, but they're only slightly less than the actual revenues of the year before. The drop in the revenue I'm sure is affected. Is that the sole reason for the drop in revenue, because of the economy, or are there other reasons why the drop in the revenue has occurred?

Hon Ms Churley: It is because of the economy, the recession. That is the reason.

Mr Tilson: Mr Daniels, I'd like to pursue—as you know, I have a topic that I've dealt with you in the past on, and that's Teranet.

Hon Ms Churley: We remember.

Mr Tilson: I'm sure you do. We have asked you questions on that subject in the past. The ministry has, and I guess my question is to either Mr Daniels or the minister, allocated \$12 million to Polaris, the joint venture project.

Mr Daniels: This year, yes, correct.

Mr Tilson: Yes. Is that currently the province's equity in Teranet?

Mr Daniels: That's the equity for this year.

Mr Tilson: What's the total equity for—

Mr Daniels: The total equity for the government over the life of the agreement will be \$29 million.

Mr Tilson: What is it now?

Mr Daniels: How much equity have we placed in it already?

Mr Tilson: Yes.

Mr Daniels: At the closing of the agreements, both the partners, Real/Data Ontario Inc and the government, placed \$5 million into the equity fund. That's the first requirement. The rest of the equity flows at the call of the board.

Mr Tilson: The difficulty I have, I guess, is the subject of how you figure all this out, because there's obviously certain information that isn't revealed to the public because of the private nature of Real/Data participating in this venture. All of the financial information has been severed from the RDO-ministry shareholders' agreement, so we don't know the aggregate value of the shares, nor do we know the future cost of additional financing.

Mr Daniels: The government's funds—that you do know. I said our equity investment would be \$29 million. That's the cap. That's as far as we go.

Mr Tilson: What are the terms under which the financing will be advanced?

Mr Daniels: It's based on a cash flow at the determination of the Teranet board. As they need the money to invest in research and development, to invest in implementation, to invest in new product development, they will call from both partners equally to invest—

Mr Tilson: But how will we know that? All details have been severed from article 3.02 of the agreement. How will we know that?

Mr Daniels: I think you can see some of it here. It comes in our estimates as an equity amount of money, and it will come in and go out so you will know we're investing, in any given year, X number of millions of dollars. You can then know, because you have the agreement, that the other side has to put an equal share in. You know that if we put five in, they're going to put five in. If we put four in, they'll put four in. If we put 10 in, they put 10 in.

Mr Tilson: I understand the philosophy of partnership agreements, but since all this stuff has been severed out of the agreement, we don't know. You won't let us look at it.

Mr Daniels: No. I think what's in the agreements is a lot of information about equity, about equal sharing. I recall that the last time I was before public accounts I tabled all the mandates, then I looked at all those mandates. In agreements provided through the freedom of information, all those mandates are there for the public to see that the government's investment is protected. It owns the data. It controls the fees. It controls new products. All its mandates are in place and are there for the public to see. When you look at the agreements, and there are hundreds of pages of them, very little has been severed.

Mr Tilson: As I understand it, the province intends to recoup its investment in this venture—

Mr Daniels: More than recoup its investment. I think in—

Mr Tilson: Just let me finish. I understand the province intends to recoup its investment from the venture in the form of dividends. That's how it will ultimately do it.

Mr Daniels: There are dividends, but more importantly, there are royalties involved in the data itself. So it's dividends, royalties and profits.

Mr Tilson: How will we know what the dividends are?

Mr Daniels: They'll be flowing to the consolidated revenue fund. I think they would be visible.

Mr Tilson: How will we find out what they are? How will we know? We won't be able to see the financial picture of this corporation because it's a private company.

Mr Daniels: Not the flow back into government; that's not confidential. That's in the public domain. What remains commercial is commercial investment in a commercial venture, where they're talking about a new product or an overseas investment or bidding on a contract in another country. We can't reveal that because then the other countries or the other bidders will know. So all we're protecting is that commercial side of the business.

Freedom of information and privacy is a balance, and here's what we're talking about. We've got lots of freedom of information. In fact, through the freedom of information, in the majority of those agreements almost an insignificant part is severed. On the balance, it's the commercial side that allows this corporation—and it's a business corporation, under the Business Corporations Act—to compete. It has to compete in the world market, in the Canadian market, in the US market, and it can't operate like a government.

Government goes into partnership with the private sector in a joint venture like this so it can be businesslike and not have to reveal itself totally to its other provinces and other countries.

When we go overseas, we're bidding against other countries much like ourselves, like the states in Australia. I think South Australia has invested quite a bit of money in its land system and is like us in a joint venture in a world market. I can't reveal my business plan and my strategy to the Australian government, nor would it reveal its plan to me.

Mr Tilson: Mr Daniels, we're talking about taxpayers' money, and the accountability simply is not the same as it is with anything else. It comes to a point, Mr Daniels, when you can't tell us, because of the Freedom of Information and Protection of Privacy Act, a substantial amount of financial details about this corporation, and, hence, the taxpayer of the province of Ontario will not be able to know many of those details.

Mr Daniels: The taxpayer of the province of Ontario knows a lot of the details.

Mr Tilson: Why do they know a lot? That's what I say.

Mr Daniels: They know that \$29 million is invested, and it's capped.

Hon Ms Churley: I think I should jump in here. Mr Daniels is bound by all the statutes of Ontario and by the Freedom of Information and Protection of Privacy Act, and I think you're well aware of that, Mr Tilson.

Mr Tilson: Talking about the agreement, the payment of dividends is subject to a number of limitations, including a reinvestment provision, although the net income to be allocated isn't known, since it wasn't disclosed. Isn't that correct?

Mr Daniels: I think I said that the net was \$29 million; that's the capped amount. Just to put it in context, the government originally, in 1987, set aside \$112 million over 15 years to automate the land registration system, as recommended by the Ontario Law Reform Commission, which said we should automate the system. The government agreed in 1971 that we'd automate the system. The government agreed in 1987 to fund that automation to the tune of \$112 million over 15 years. The government then sought a partnership, which reduced that cost from \$112 to a capped \$29 million, saving the taxpayers close to \$80 million in investment to get an automated land registry system. At the same time, that investment will net revenues and net new products and net world markets and more profitability for the taxpayer. So the taxpayer has already saved close to \$80 million.

Mr Tilson: But we don't know the retained earnings level, because it was never disclosed. We don't know that.

Mr Daniels: I'm just saying that the retained earnings—

Mr Tilson: I know what you said. I'm just telling you that there's a whole slew of facts that we don't know.

Mr Daniels: As the new products and the sales grow, then the profits go to both parties, 50%.

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Mr Tilson: The ministry is now making a substantial investment from something that was normally a guaranteed money earner for this province. We seem to have lost control of it. My question to you is, when will the province recover its investment in Teranet?

Mr Daniels: The government continues to get and will always, every year, get its royalties for its fees.

Mr Tilson: When will they start?

Mr Daniels: They constantly flow, right now. Our actual fees over last year increased, not as expected, but that's the revenue, that's the real property revenue that

comes to us, \$25 per registration, X number of dollars for a first application. All these things generate revenue. In the mandatories, the government's revenue is guaranteed as part of the agreement. The government revenue comes back through royalties. But I also think I should add that the government gets back its original investment of \$19 million in the sixth year of the agreement, through an initial issuing of shares, because we put money in to create Woodstock and we developed the project.

In the agreement, we also ensured that the government not only recovers its money and its fees; it also recovers its initial investment. It's quite a good deal, I think, if you look at it from all points of view. You're getting your original investment, you're keeping your revenue flow and you're creating new products and new services to the public which will generate additional revenue, and you're embarking on a world marketing of land information.

Mr Tilson: Madam Minister, I think it's a terrible deal, however.

Hon Ms Churley: I'd like to respond to that, because it's been made very clear that we had to make an investment. That's been clear since the 1970s. We had to make an investment in land registration. We chose partnership. It was looked at by all three governments, as you know—

Mr Tilson: Wait a minute. That's not correct.

Hon Ms Churley: —as a more cost-effective way to achieve that goal.

Mr Tilson: Just a minute. You're reading a statement that's false, Madam Minister. The statement that came from 1974—when the proposal of Polaris, which was a good proposal—is quite a different proposal than what we have now, completely different, and you know that.

Hon Ms Churley: But what I'm—

Mr Tilson: Don't start saying that all three governments agreed to this proposal.

Hon Ms Churley: That's not what I said. What I said was that we all agreed there had to be an investment in land registration. I'm sorry you misunderstood me.

Mr Tilson: No. We talked about the computerization of the land registry office, but I don't want to get into your statements. I want to ask Mr Daniels some questions.

The Acting Chair (Mr Wayne Lessard): Excuse me, if I could interrupt: When I spoke to the Chair, he indicated that he was going to switch to Mr Cordiano at about the top of the hour. We can come back to your questioning after Mr Cordiano is finished his half-hour segment.

Mr Joseph Cordiano (Lawrence): Not to change the subject, but I think we'll move on to—

Hon Ms Churley: Casinos?

Mr Cordiano: Yes. I want to spend a little bit of time to clarify a few things on casinos. Let's deal with this first; let's deal with what's going to happen on native reserves with respect to casinos, Madam Minister. You made mention in the press yesterday, I think—I forget where the article was—of the fact that you're in negotiations with native bands. Your efforts are now aimed at getting agreements

with various native bands in government to government negotiations, if you will.

I don't know what that means, the implications of that. Perhaps you could shed some light on just what the details are and the way you plan to proceed, because that's an area we haven't received too much information on. I am very interested in the way you plan to proceed.

Hon Ms Churley: The issue around native gaming is certainly not new, in the sense that native bands have been operating, as have all other communities, as you know, in charitable gaming for some time. We're in negotiations, starting the process of talking, at this point, band to band or government to band on—

Mr Cordiano: We're talking about, if I may, not charitable gaming; we're talking about full-fledged casinos.

Hon Ms Churley: That's right.

Mr Cordiano: That's what I want you to clarify for us.

Hon Ms Churley: That's what I'm starting to clarify. We have, as I was saying, been negotiating with bands on charitable gaming. We recognize the inherent right that first nations have in gaming activities and we are negotiating with them on that basis. To date, obviously casinos—I'm sure this can be clarified further—come up in these talks. But we have not at this point initiated a process to deal entirely with the whole question of casinos.

It's new in the gaming marketplace, but certainly we will be putting in place a process so that we can have those kinds of negotiations and conversations and see where we go from here. What I'd like to do to help you actually, if it's okay, is to turn it over to my deputy, who might be able to give you a little more detailed answer.

Mr Cordiano: Before you do that I want to get an indication of what your thinking is behind the kinds of negotiations you're going to have. We understand you're going to talk about the possibility of casino gambling on native reserves. But what does that imply? Does that imply initially that you're going to allow this to be run completely and entirely separately, that it will be run by the native bands individually on each reserve? Is the intention here that the government will play no role whatsoever in what takes place on the reserve with respect to these casinos?

Hon Ms Churley: No. I will turn it over in a minute, but let me say that, as you know, the issue of casino gambling is, and you've said it yourself, separate from the issue of charitable gaming. There is the Criminal Code, which everybody has to adhere to, and any discussions around casino gambling with first nations reserves will be talked about in that context. Therefore, obviously there has to be a different kind of framework developed.

Mr Cordiano: You need legislation to do that. I understand that.

Hon Ms Churley: Exactly, and a different kind of framework because of that. Perhaps Judith Wolfson can—

Mr Cordiano: That's not really what I'm getting at, though. We all understand that you have to draft legislation which would permit this to take place. The whole thrust of my question really surrounds what you're doing with native peoples, which in a sense falls in line with the thinking

behind native self-government, which is fine. The revenues that will be generated from that are what I'm interested in.

Hon Ms Churley: You're interested in the revenues.

Mr Cordiano: You're allowing native groups to generate their revenues entirely 100% for their purposes? Is that what I'm to understand is going to flow from this as a result of negotiations you are attempting to have? Is that a premise under which negotiations are taking place?

Hon Ms Churley: Perhaps at this point, Ms Wolfson—

Ms Wolfson: Mr Cordiano, indeed there are a number of decisions that will have to be made by the cabinet and the minister to clearly deal with those political decisions. However, charitable gaming and casino gambling are economic development tools. We will be working very closely with the native communities to look at how it can benefit the communities and the province generally. We've talked about that.

One of the reasons that we have in our casino project people who are having discussions with the native communities is exactly that, to look at the kind of possibilities there are for these casinos and the wishes and desires of the native communities. Then cabinet will be in a position to make its decision on how the economic development will be assisted through charitable gaming and casino gambling.

Mr Cordiano: In light of all that, what I would like to ascertain from this is, if you're going to proceed on this basis, and obviously you're making a decision to grant the green light to proceed, again I have to ask, have you done any preliminary work to determine the implications that this may have—economic impacts, social impacts? I can go through the whole litany again.

Ms Wolfson: Sure.

Mr Cordiano: Are you contemplating a pilot project for natives on the reserve, for casinos on the reserve? Is there something like a Windsor model that you're going to attempt on a reserve, in cooperation and in agreement, of course, with native groups?

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Hon Ms Churley: That's exactly it. We haven't got anything in place yet to be able to answer that question because the actual negotiations and even the framework have not been developed yet. So I can't answer that question today. Perhaps Judith would want to add to that.

Ms Wolfson: With respect to the beginning part of your question, which is, "What kind of work are we or will be doing?" part of our plan is to look at those issues. Mr Alfieri perhaps can assist us in the kind of work we will be doing and the discussions that are taking place specifically on those issues.

Mr Domenic Alfieri: There's one basic process which has been going on for some time and there is negotiating with first nation communities around gaming on reserves and gaming in the context of bingos, Monte Carlo nights or whatever—those things which are currently allowed by law. That happens in all of Ontario and that happens there. So there has been dialogue between Mr Chalmers and other people to assist him and certain first

nations around a regulatory framework for that in the context of self-government etc.

More recently, the issue of casinos has come up in the sense that an announcement has been made that the decision has been made to proceed with casinos, to have a pilot project in Windsor. In the context of the dialogue that is going on between some of the staff and first nations, the question of casinos and first nations is also coming up, and I understand it's been raised in a couple of instances, but no decisions have been made.

We are currently dialoguing with them in the same context that we are talking to the racing commissions, the Ontario Jockey Club and a variety of other groups. Their expressions of interest have to be put forth and listened to, but that is an ancillary process to the main one currently, which is negotiations around the regulatory framework for gaming outside of the casinos for which there is no legislation at present. But there are many things that can go on and are currently going on and that dialogue, as I said, is going on.

To the extent to which certain first nations may express an interest in a Windsor-type casino, they would have to discuss that with us. Policy decisions in respect of that have not yet been made. We are currently at the embryonic stages of discussions for that.

Mr Cordiano: If you can help me along in this process, what kind of time frame are we looking at with respect to having this in place some time in the future? Are you contemplating a long time frame here for discussions and negotiations? Do you attempt to do this on an individual basis with each first nation? What's your game plan for this?

Hon Ms Churley: If you're okay with this, Mr Chair, I'll jump in here.

The Acting Chair: Go ahead, Minister.

Hon Ms Churley: I think it's appropriate that I answer it because in the final analysis, it's up to cabinet to make those kinds of decisions.

The difficulty in answering your question around a time frame comes back to the fact that this is quite a new initiative. As I said earlier, we haven't got the framework in place, particularly relating to casinos as opposed to charitable gaming, so for me to be able to say today that we have a time frame, particularly relating to casinos, is impossible because that framework isn't in place and cabinet hasn't even had anything before them to make decisions on yet.

Mr Cordiano: Then let me try this. Given that you have a certain latitude with respect to time, would it not be wise to conduct some preliminary studies to answer some of the questions I've been asking? If you haven't got those studies currently under way, would it not be wise to attempt to do some of that with respect to this whole question with first nations and what the impact might be?

The other thing I wanted to ask about was the implications for charities. It's obvious now that you have no intention of sharing with the charitable organizations any of the revenues that will flow from casino gambling. I think you made that clear both in this committee and in the House last week when I asked that question of you. It's very, very

clear that the impact on charitable organizations, at least at first glance, is going to be negative. It's going to have a very disastrous effect on their ability to raise revenues.

Furthermore, what will the impact be, once you move ahead and have casino gambling, for first nations? Will those casino establishments be prevented from attracting business from outside the reserve? That's going to have a further deleterious effect on the ability of charitable organizations to raise funds in the way they normally have.

These are all negative impacts on charitable organizations, which I don't think has been factored into this equation.

Hon Ms Churley: Just to answer a couple of your questions, going back to the first nations issue, it's still too early to talk about some of the ramifications that you're bringing up. We again have to discuss that in more detail with the first nations.

In terms of the charitable organizations, there are a couple of things around that. There is a comprehensive consultation list of people, particularly now, in and around Windsor, who will be consulted on this. The pilot project itself is going to tell us a lot but also the consultations we'll be going through over the next short while. We still have to establish the parameters of the consultations and the roles and responsibilities of, and the relationships between, Windsor area officials and the project team regarding these consultations. A lot of work is going on and will still have to be done.

But in terms of your question around the impact on charities, we are already engaged in some of the work you're talking about. Studies will be done, consultations will take place, and we will find a way to work together, as we are with the horse racing industry, on some of the concerns that have been raised.

Mr Cordiano: Charitable organizations want to work with you, but it was their understanding that they would share in the revenues that will be produced by casino gambling. I think that was made clear to you by charitable organizations, and I think that what you made clear the other day was that they're not going to share in revenues that will be generated by casino gambling.

I think it's incumbent upon you, Minister, to make that clear. It's incumbent upon this administration to tell us and tell those charitable organizations what the future holds. I don't think we can leave them hanging this way. I think it's having a very serious, negative impact. Morale is declining among volunteers of those charitable organizations. These are serious questions that I think need to be answered for those groups who have a very real stake.

Hon Ms Churley: I think I can't be any clearer about the revenue sharing, and I have been very clear. To be fair, we never committed to revenue sharing.

Mr Cordiano: But they were left with that impression, a very definite impression. I have to make this clear: They bought into the consultation process because their understanding was that there would be room for them in sharing some of those revenues.

Hon Ms Churley: I'm sure that when they first heard about a casino project or the possibility of casinos, they

expressed an interest in being involved and, if possible, sharing revenues. I think it's fair to say that not sharing the revenues will not mean that they won't want to be involved and be consulted about the impact they may feel it will have on them. I'm sure they're still very interested in being consulted, and we will do that.

The final decisions on all of this won't be made really until after the pilot project is up and running.

Mr Cordiano: I know, but that's why we're discussing it now.

Hon Ms Churley: At this point, that's partly why we have the pilot project. I've made it very clear that the decision to date around this pilot project is that we will not be sharing the revenues beyond the government.

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Mr Cordiano: It's a terrible decision, in my opinion, because if the government had no intention of sharing those revenues, then I think discussion should centre on things other than the casino in Windsor or the pilot project. I don't think there's really a role for these groups to play, as much as the local groups that are affected perhaps.

But in terms of what future role there is for these groups, how the decision taken to have casino gambling affects their revenues, we have no information on that and neither do these groups. I think you could help them by at least assisting in doing some impact studies for them in terms of the disastrous negative effects this will have on their revenue-producing abilities and help them along in the process. I don't see any of that here. I think it's quite clear that you have no intention of doing that.

Hon Ms Churley: I'll respond, even though I don't think it was quite a question. I think it's important to say that Bill 26, the new Gaming Services Act, is going to go a long way in terms of helping charities. You're aware of that bill, of course, and I think generally supportive.

Mr Cordiano: Yes, but it's a moot point at this point, because really what you're doing is destroying the ability of charitable organizations to do what they've done, with the kind of success they've had, in raising revenues because there hasn't been real competition. When casino gambling comes into being in full force, you're just eating from the same pie. You're taking away the ability of these charitable organizations to raise that kind of revenue.

You cannot deny there's going to be a decline in revenue-generating ability on the part of these charitable organizations. If you do deny that, then I'd like to see some studies which indicate that's not going to be the case or that you've done some work to show these groups will not be seriously damaged by this decision.

Hon Ms Churley: What we have to bear in mind and keep in perspective is that we're talking at this time about one pilot project in Windsor, where, as you know, the people of Windsor are very enthusiastic and very supportive of having a casino in their community.

Mr Cordiano: Minister, take it a little bit beyond that.

Hon Ms Churley: But this is what we're talking about here. Right now is one pilot project in one community. We, at the end of the day, will be assessing many things. We will

be consulting with and working with all the stakeholders, including charities and the horse racing industry, in the process of developing that casino. That casino will be up and running in a while. We will then be assessing and making further decisions, based on what we find out. But bear in mind that the people of Windsor and other people in Ontario are looking—

Mr Cordiano: That's unfortunate, I must say. It's really unfortunate, because the kind of impact that will result for charitable organizations is going to be devastating, and I'm not hearing from you or any of your officials that you really understand what's going to happen; or worse than that, you really don't care.

Hon Ms Churley: Mr Cordiano, let's keep this in perspective. The charities have been competing for a number of years in this province, with the horse racing industry, for instance, and lotteries.

And we care. Of course the government cares about charities. We know that doing something that will hurt charities is ultimately going to come back to the government anyway.

What you're doing here is conjecture. You've got an opinion and you're saying that's doomsday. That's the way you see it. We're trying to assess this in a very controlled way. That's the position we're taking: implementation in a controlled and careful way. Our conjecture at this point, from the work we've already done, is that starting slowly and carefully with one pilot project—which is one of the reasons we decided to move slowly, carefully and cautiously—it gives us an opportunity to assess the whole thing.

Of course I care and of course we're listening to charities, but I believe we're going to find out a lot from this pilot project and I also believe that charities won't be shut out by this.

Mr Cordiano: What do you mean they won't be shut out? Can you clarify?

Hon Ms Churley: They will continue to operate. There's all kinds of information that we do have already: There are people who go and bet on horses; there are people who like to go and play bingo games; there are people who like to go and buy lotteries. We're talking about one very controlled casino in one location. That's it.

Mr Cordiano: Let's look at an impact study which was conducted by Price Waterhouse on the impact of casino gambling on the horse racing industry in Ontario. I believe it was estimated from their study that the negative impact would range from 20% to 37% decline in revenues, a decline in wagering. Let's see. From 1991 figures, the actual dollar amounts you're talking about are from \$217 million to \$401 million. This would translate into between 9,500 and 18,500 jobs in the industry. That's what the report says. The impact would be quite serious on the horse racing industry. I'm sure you're familiar with that report. How do you answer that?

Hon Ms Churley: The study you cited was one study; there are of course many studies. I think it would be helpful at this point, if the Chair permits, to ask Mr Frank Drea, the chair of the Ontario Racing Commission, who

probably is a bit more knowledgeable about this than I am, than anybody, if he could—

The Acting Chair: Mr Drea, would you like to come forward? Maybe you'd like to have the question repeated.

Mr Cordiano: I want to know, with respect to the Price Waterhouse study—

Mr Frank Drea: We don't accept that. They never talked to us. That's a report that's based on total saturation of the province by casinos. It's also a report that does not reflect the expansion of the racing industry, which has only begun to take place. If everything was as before April 30, then the report might have some validity. Things aren't the same since April 30 of this year.

Mr Cordiano: Things aren't the same since April 30. Would you like to bring me up to date as to what you mean by that with respect to horse racing in Ontario, in light of casino gambling?

Mr Drea: I'm sure you're aware that on page 14 of the budget the racing commission and the racing industry were directed to expand the industry. The government took off all the restrictions that have been there for a half-century. Now then, that makes racing extremely competitive. We have already begun massive—

Mr Cordiano: Sorry. When does it make it competitive? Right now or in the future?

Mr Drea: No, right now. I said as of April 30. You see, the restrictions on racing had the horse racing industry confined to 24 locations in the province. They may have been racetracks, but they were confined there. You could not bet anywhere else. The government took that off.

The government gave specific directions to do two things: to maximize the capacity of the existing tracks. They were going, with the exception of Greenwood, at about 20% to 25% of capacity. By the use of simulcasting back and forth, the government set a goal of 75%. That's already begun to take place.

Woodbine Racetrack, for instance, which is the flagship track, operated 135 afternoons and one evening in a year, out of 720 units, 360 twice. We now have Woodbine changed into a year-round track. It is offering standardbred betting five nights a week the whole year, which was totally impossible before April 30. Woodbine is now betting on Fort Erie. As a matter of fact, the last two days of the Fort Erie meet, Fort Erie went over \$1 million for the first time, because it was able to harness Toronto betting. That would have been impossible before April 20.

Mr Cordiano: Okay, so let me ask you this. You're beginning to paint the picture that the industry will be sheltered from the impact, or at least, as of this day, without the advent of casino gambling, things are going quite well for the industry. With the changes that the government has implemented, it's allowed you to operate far more effectively.

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Mr Drea: Yes.

Mr Cordiano: Could you share with me, if you do have these figures from April 30, what impact that's had on revenues? I don't think I have figures that would be

interim figures from that time, unless you can point them out to me in the estimates.

Mr Drea: If you look at the start of the racing season this year—of the real racing season, that is, once the good weather comes, where the handles increase—they forecast a downturn of 10% to 15%. We will end the year on the upside, probably by about 2%.

Mr Cordiano: That's great.

Mr Drea: Could I give you some examples? For instance, last Saturday, on Breeders' Cup day, the total betting in the province on those races was about \$6.25 million. Only \$2.3 million of that came from Greenwood, where at least there was some live racing. Woodbine bet over \$2 million without a horse. Fort Erie, going head to head against freebies in Buffalo—47 offtrack shops, no charge—did a third of a million dollars, which amazed everybody; you had to cross the bridge, pay twice.

Certainly there is a great optimism about horse racing in this province and not just from the people in this province. I can show you clippings from the United States.

The Chair: We call them pollsters.

Mr Cordiano: Can I just finish this off?

The Chair: If you can, because we've come to the end of your—

Mr Cordiano: Five more minutes, because I don't want to go back to Mr Drea at some point. I just want to complete this section.

The Chair: All right. If you'd like to complete your questions of Mr Drea, then the Chair will be pleased to—

Mr Cordiano: You paint a nice picture of the industry as of today.

Mr Drea: It's an accurate one.

Mr Cordiano: Great. I have no doubt that the industry will continue to succeed, given things as they are, but I'm talking about what's going to happen in the future. Perhaps you have some studies which would indicate and satisfy my concerns that your industry will be impacted by the advent of casino gambling once there's a proliferation of casinos throughout the province. You could help me understand that, because our indications are that there will be a downturn in wagering, there'll be a decline, and it will affect your industry to some extent. Help me to understand that.

Mr Drea: I think it's best phrased by saying they would have an impact, because our wagering's going to be so high. Because of the decisions of April 30, we're going to double horse racing wagering to over \$2 billion. So you really can't measure by dollars, if you follow. Of course, with the introduction of casinos there will be an impact. It depends upon what kind of casino you put in, where you put it, and so forth.

What I'm trying to say to you is that because the racing industry has been freed up to compete, we are in a position to compete provided there is a level playing field, and that's what we want to see out of the studies. In fairness, there was a statement made here the other day that the project committee had never consulted with the racing commission. That's not correct.

Mr Cordiano: I don't think I made that—

Mr Drea: Well, the impression was left; I don't think it was you. Mr Chalmers consulted informally with me some time ago. We gave him lots of data. Half the stuff they're using came from us. We told him: "Look, if you haven't got a plan and you're only looking around, let's not waste each other's time. When you have something, you come back, and we'll look at it from the perspective of the racing industry and give you the views." That's all.

Mr Cordiano: So you are, at this time, shall we say somewhat happy with what's going to move forward and the impact that will have? Or would you like to see further evaluations of the impact, or do you have information you could provide me with in terms of the impact this will have on the industry? Because it's not clear to me.

Mr Drea: What will have?

Mr Cordiano: Casino gambling. Other jurisdictions have had this occur. Manitoba, for example: You see a negative impact on Manitoba after casino gambling was introduced. They probably didn't have all the changes occur—

Mr Drea: That's exactly the point. There's no place that has had the changes that has casino gambling. That's why we're so very interested in the form of the casino gambling that's going to emerge from the study. There's an assumption out there that I know what's going on.

Mr Cordiano: Do you have some idea?

Mr Drea: I have no idea of what they're doing. We want to look at their report; we want to see where they intend to locate them.

Let's talk about Windsor for a minute. On the basis of a pilot project, we've already begun to compete. Within two weeks the power shovel will go in the ground for the largest teletheatre west of New York City. It will be more than 20,000 square feet. We're going to give you racetrack betting that is unknown in all of North America. As a matter of fact, to be very blunt about it, future horse racing in Illinois will probably be decided in Windsor. As you know, there's a great struggle on there on virtually the same issue.

We are now allowed to do things like giving you four racetracks simultaneously for betting. We are now allowed, and the machines will be there pretty soon so we can do it, to do a common pool or actual track betting with the United States, which hasn't been there.

Winter racing: When the thoroughbred season here is down from December 10 to St Patrick's Day because of weather, we are now in a position to give you Florida, Santa Anita, Turf Paradise in Arizona or anything you want and put it on the screen, and virtually give you track odds. So that changes things. That's all I'm saying.

Mr Cordiano: So your expectations are that this will generate enough revenues to offset any negative impact, decline in wagering, from casino gambling, if there is going to be any negative impact.

Mr Drea: I still think there will be an impact, but it will not be the 40% that people talk about.

Mr Cordiano: That's what I want to know.

The Chair: How are we doing, Mr Cordiano? Are we just about done there?

Mr Cordiano: Yes, that's fine. Thank you.

The Chair: Very good. No, please don't leave, Mr Drea. Were there some questions? I'd like to move the rotation over to the Conservatives.

Mr Tilson: Mrs Marland has some questions.

Mrs Margaret Marland (Mississauga South): My questions are all of Mr Drea.

The Chair: Are there any further questions to Mr Drea from any committee members? I'll entertain one brief question, but it must be brief, from the government side.

Mr Tilson: Wait a minute. My understanding—

The Chair: You'll get all your time, Mr Tilson. Out of respect for Mr Drea, while he's sitting there, I'm going to entertain one brief question. If there is one brief question—yes, Mr Tilson? Is that a point of order or is that just a pen?

Mr Tilson: My understanding is that the government has no more time.

The Chair: I will have five minutes to spare if I'm not called to the House before 5:55. I've said there would be one brief question, which I'm losing the window on while we're discussing it. It has to be a brief question for Mr Drea.

Ms Christel Haeck (St Catharines-Brock): Yes, it's a very brief question.

Mr Drea, you comment so far about what is happening in Fort Erie. I represent St Catharines-Brock, so I am living and working in the peninsula and I am interested in your comments as to what you're forecasting for Fort Erie. Is there a longer study you've done, to be able to suggest, say, the safety of 4,500 jobs in Fort Erie? Obviously that's a major concern for that community, to make sure that track is there for a while.

1640

Mr Drea: I think a year ago I was the only person who said it would be here this year.

Ms Haeck: I think you're right.

Mr Drea: I'll try to make this extremely short. Fort Erie has now changed very dramatically. Fort Erie is now not a summer racetrack with 101 afternoons. Just last Tuesday, when you were opening your estimates, Fort Erie went to a year-round track. We bring in simulcast harness races, first for five nights and then seven nights a week, 52 weeks of the year. That will keep it open. Fort Erie is now going to be able to sell races to Windsor, which is the Detroit market, in its live season, as well as back to Toronto. Those are two huge markets. We would hopefully bring in Flamborough Downs to Fort Erie, which would do things in the Hamilton market.

Fort Erie right now is a \$55-million-a-year, in handle, track. Fort Erie next year will be somewhere around \$105 million or \$110 million; it'll be open 52 weeks of the year. So Fort Erie is here to stay. It'll probably become the most lucrative medium-sized racetrack in North America on either side of the border.

The Chair: Thank you very much, Mr Drea. It's always appreciated to have you visit us and return to the

Legislature. Things really haven't changed that much since you were last a member.

Mr Drea: Mr Chair, it's a lot nicer now than it used to be.

Hon Ms Churley: Thank you, Mr Drea.

Mr Drea: You don't meet at night, and there are other considerations.

Mr Tilson: I was going to say you've been out too long.

The Chair: You had the privilege of being a cabinet minister in a Conservative government. I rest my case. Thank you, Mr Drea. Mrs Marland?

Mrs Marland: Mr Chairman, while we're on the subject of cabinet ministers in former Conservative governments, I don't actually have any questions for the chair of the Ontario liquor licence board—

Mr Tilson: Liquor control board.

Mrs Marland: Liquor control board, sorry. You can tell I'm a heavy user; I don't even know the name of it.

I am aware of the progress, in some of the comments that have been made by that board, in terms of the amount of money it is making with its new approach to promotion, particularly of the wine industry. I know members who represent those areas must be very thankful on behalf of their constituents. I'm simply thankful, on behalf of Ontario, that we are apparently experiencing the kind of leadership we are now with the Liquor Control Board of Ontario. In this kind of market, it's amazing that that kind of percentage of increase in sales in anything has happened. Personally, I'm very proud of it.

The Chair: Two more testimonials and Mr Brandt may consider a comeback, so I encourage you to stop the testimonials.

Mrs Marland: My question is going to be very fast, because the critic has a lot of other important questions too. The question is about the Operating Engineers Act, so if you can pull up whoever is going to answer that question, I'll read it out.

One part of the Operating Engineers Act deals with the attended operation of high-pressure equipment. Unfortunately, this section inhibits the use of ozone-friendly, CFC-free refrigeration equipment, because their operation requires a stationary engineer. As someone who's been a very strong advocate for the environment for a long time, I can appreciate the importance of this question.

Ontario is the only jurisdiction in North America that still has this type of legislation in place. Refrigeration machines are in service, unattended, elsewhere throughout Canada and the USA.

I know that passing a bill is lengthy. There is a faster solution to our present situation through a regulation change, and apparently this regulation change is also ready. I understand that Marilyn Churley is the chairperson of the regulations committee. I would like to ask the minister, or through the minister to her staff, whether we're going to get this regulation changed quickly so that the environment can be protected and have the benefits of the change; also so that the province can have some economic advantages to building owners who are presently postponing

capital expenditures they need to make to replace existing CFC chillers until they find out the outcome of the Operating Engineers Act. Obviously, if this would create jobs in the replacement of some of these refrigeration machines, that would be an advantage too. I understand it was on the agenda before, but it has fallen off the agenda in the last session.

Hon Ms Churley: That's a very good question, Mrs Marland. First of all, for the record let me correct you. I'm not the Chair of the legislation and regulations committee; I am the Vice-Chair.

However, the issue you've raised is really a very important one to me, and it's one that I have raised in the ministry because it's been a concern of mine. What we are doing now is preparing an interim regulation under the Operating Engineers Act that will help the air conditioning and refrigeration industry. If you'd like some more information on that, more of the details, I can pass it over to Mr Walter.

Mrs Marland: I don't need the details. I just want to know when the regulation change is coming, when I can respond to my constituents, who want to see the benefit to the environment in this province.

Hon Ms Churley: I obviously can't give you a date today, but as I said, it's been a concern of mine for some time. It will be coming very soon. The legislative agenda is very full right now, as you know, in terms of the—

Mrs Marland: No, but are you going to do it by regulation or legislation?

Hon Ms Churley: Yes, it will be by regulation. What I'm saying is that because the legislative agenda is very full, I have to go and will be going through the regulation route. I will be doing that very soon. I can't give you a date, but it will be soon.

Mrs Marland: So you're saying the regulation has to go through that committee?

Hon Ms Churley: I'm sorry, through the regulations and legislative committee? Yes, it will have to go through that committee yet.

Mrs Marland: As a regulatory change.

Hon Ms Churley: Yes.

The Chair: Bills have priority in that process, which I think is what the minister has implied. So when a bill's passed in the House, it gets first priority. That's what's implicit in that.

Mr Ron Eddy (Brant-Haldimand): Unanimous consent.

Hon Ms Churley: Can I write that down and get you to sign it?

Mrs Marland: Because it's an environmental issue, would you be willing to take it to the committee if there was unanimous consent of all parties?

Hon Ms Churley: I'm certainly very pleased to have that kind of offer put forward, and certainly, if we can get that kind of consent, I will look very seriously at the possibility of doing that. It's a big help to me to know that might be possible.

Mrs Marland: If I have the commitment from you, I'll take it to our House leader.

Hon Ms Churley: Great, thank you.

Mrs Marland: Thank you. That's the end of my question, Mr Chair.

Mr Tilson: I have a question to the minister, which I guess you'd call a joint gambling-casino-and-Teranet question.

Hon Ms Churley: Only you could put those two together, Mr Tilson.

Mr Tilson: Madam Minister, as you know, I'm not pleased with the current development of the Teranet principles, simply because of the lack of accountability to the public, to the taxpayer. What I fear is, when I hear the words "partnership" and "joint ventures," specifically in the gambling casino issue, that a similar joint venture there is possibly one of your considerations.

I know, for example, the Minister of Agriculture and Food was off in London, I believe, or England somewhere, talking to some people there about gambling casinos, as one of his many other items that he was speaking about. I know that members of your staff have been speaking to people from Atlantic City. So obviously one of your considerations, and I hope it isn't, is a joint venture partnership in the gambling casino proposal.

My fear is this lack of accountability. Having said that, would you be prepared to recommend to your government that a policy of full disclosure be established as a condition of any joint venture partnership, whether it be in the Teranet type of joint venture partnership, whether it be in the casino gambling joint venture partnership or whether it be in anything else, whether in your ministry or any other type of ministry?

Hon Ms Churley: First of all, any casino would be governed by legislation, and an act, as you know, would come before the House to deal with accountability. If I follow your question properly, that's exactly the process that would happen.

1650

Mr Tilson: No, my question is, if there's a joint venture in anything, whether it be a Teranet type of proposal or whether it be in the gambling casino experiment in Windsor or any other type of experiment, would you be prepared to establish a policy of full disclosure as a condition of any joint venture partnership, because you don't do that now with the Teranet proposal, simply because of the privacy legislation?

Hon Ms Churley: In terms of Teranet, I believe that the agreement we have in that partnership—you know you and I disagree on this and there was a previous discussion about this—is that the government has disclosed as much as it can in terms of working with a partner in the private sector. In the case of casinos—

Mr Tilson: You wouldn't disclose the names of the shareholders. They were disclosed by Real/Data, I believe.

Hon Ms Churley: It was commercially sensitive information.

Mr Tilson: I don't care what kind. The whole purpose of my question is that if the government is going to get into these joint venture partnerships, whether it be in gambling or whether it be in registration developments, I believe there should be full disclosure. I believe the taxpayer of Ontario should know exactly who it's doing business with and exactly what the financial details are of that joint venture.

The way you are going now, specifically with Teranet, we don't know that information, so my question to you for the third time is, would you be prepared to recommend to your Premier or the cabinet, or would you be prepared to even establish a policy in your own ministry, that your government would not enter into any form of joint venture agreement unless there was an understanding with those people that there would be full disclosure?

Hon Ms Churley: First of all, again, let me correct something you said. RDO has a responsibility to disclose its shareholders and it did that. The casino—

Mr Tilson: Yes, but you wouldn't do it.

Hon Ms Churley: The casino: It depends on the type of partnership in question, which of course hasn't been determined yet, and we are going to be looking and are looking at operational models right now. But the commercially sensitive information must be kept confidential under certain circumstances. I can't give you a blanket statement today, yes or no. I certainly agree with you in principle about the need to disclose everything that's possible to the taxpayers and to our constituents, but in terms of a partnership, the government, like any other body in a partnership, has certain responsibilities under freedom of information and in terms of sensitive information. But in principle I agree with your statement, and of course we'll do everything we can—

Mr Tilson: You agree in principle, but will you be prepared to recommend it or will you do it in your own ministry? Will you say now that you will not enter into any contracts with anyone, whether it be in gambling casinos or whether it be the Real/Data type of partnership or any type of joint venture partnership activity, without insisting that in regard to the partnership agreement the government of Ontario signs with these people full disclosure be made?

Hon Ms Churley: As I said, it depends on the type of partnership. No, I can't make that kind of commitment today.

Mr Tilson: It's regrettable.

I'd like to proceed with a couple of more questions to Mr Daniels.

The Chair: Welcome back, Mr Daniels.

Mr Tilson: Mr Daniels, article 4.12 of the agreement states that preferred-contractor status has been given to RDO consortium members. My question to you is whether, currently or to date, any RDO consortium members have been awarded contracts by Teranet and, if so, who and what are they?

Mr Daniels: Part of the consortium agreement and part of the partnership are the managing partners, and that's where the electronic data service is. Systems House, Peat Marwick, Land Data—all those companies were

managing partners. Part of their joining the consortium was to become preferred subcontractors, but that preferred subcontractor agreement is on an equitable and fair market basis. They can't be competitive. It's like any vendor—

Mr Tilson: So they've cornered the market, essentially, with respect to—

Mr Daniels: But it has to be a fair business approach. It can't be that kind of monopoly where they would have advantage or overbid. It has to be a good, sound business decision.

Mr Tilson: Because of this preferred subcontractor status, can you tell me what opportunities are available to firms and individuals not connected with RDO?

Mr Daniels: There will still be opportunities. Let's take the mapping area, because that's one of the largest consortium groups. In the mapping area, Teranet continues to subcontract with other than land information contractors who are part of the consortium.

Mr Tilson: Isn't the flaw of that, Mr Daniels, that the RDO general managers, the surveyors, will have insider information? They'll know what the bids are. They can beat them because of their insider information.

Mr Daniels: They're partners on a board, but the board of Teranet, which is part government and private sector plus five neutral members, makes sure that the business choices of the board are in the best interests of all board members, and that includes the government. That means we have to make sure that any choice of a vendor is fair, and this, I think, is quite reasonable and it's quite easily monitored by the board and the members of the board who represent the government. There are some examples of land information—

Mr Tilson: Let's talk about Brampton, talk about the subcontracts in Brampton for a minute. The RDO general managers will know what any proposed tendering will be in Brampton.

Mr Daniels: The RDO members who are on the Teranet board will know, but the bids will be presented by the president of the Teranet company, and it's his responsibility to be sure that everything's fair and upright.

Mr Tilson: What guarantee can the taxpayers of the province of Ontario have that the process will be fair, because there's no question—I don't care what you say—that the Teranet managers, essentially the representatives from RDO, will know what those bids are before anyone else does.

Mr Daniels: No, they won't know the bids. The president of Teranet will know the bids, and his staff, who are employees of Teranet, and they will make a good business decision. It's protected by that, and the fact that the board is equal ensures that the bids will always be given on a fair and equitable basis. But part of the investment by those land surveyors was to have at least the preferential subcontracting, as long as it's on a fair market situation. That's in the agreement. It has to be fair market.

Mr Tilson: As established by the general managers of RDO.

Mr Daniels: No, as established by the board of directors of Teranet.

Mr Tilson: All right. You're right. As established by the board of directors of Teranet, who in fact are these same people.

Mr Daniels: No, they're not. As I said, there are four government appointees and there are five neutral appointees. RDO has only four of the 12 board members.

Mr Tilson: I'm not talking about voting, Mr Daniels; I'm simply saying that inside information's going to be available to these people.

Mr Daniels: But that's how the business operates.

1700

The Chair: Gentlemen, I am sorry, but the Chair is going to exercise his prerogative and make a brief statement.

I respect, Mr Tilson, your right to use your time as you see fit, but we are dwelling extensively on an area which is on the fringe of the responsibilities of this committee and its mandate. Now, I can only hope to guide you, that perhaps we could move into some of the additional areas within the estimates—that is only a suggestion from the Chair at this point—but I felt impelled to make that comment. Please proceed.

Mr Tilson: Thank you, Mr Chairman.

I'd like to refer to article 4.13 of the agreement, which commits the government to assist the company in obtaining work from other government ministries and other levels of government. Can you tell the committee whether anything has been done by the ministry in this regard and specifically what work, if any, the company has obtained as a result of the ministry's efforts?

Mr Daniels: First of all, I think there's a key word there: assist. No other government, no other provincial ministry, no municipality is bound by the agreement. It's totally up to them to choose.

What MCCR would do as partners in this agreement would be to say what advantages it would be for another ministry to join up with us and share information or data that would improve the land information data base, but they're under no obligation by law, by the agreement or anything. They can choose to join up or not, but it's up to us. I think that agreement allows us to go in and talk to those ministries and to present to them what Teranet is, what it can accomplish, what it would mean and what advantage it would be to the customer. So we're in a sense introducing them. We introduce the product, we introduce the program, but we don't force the issue and we don't require any other ministry to join up.

Mr Tilson: Can you tell us what other work has been done by other ministries to date?

Mr Daniels: None so far.

Mr Tilson: None? Are there any plans?

Mr Daniels: We've been talking to the Ministry of Revenue, but that's about it.

Mr Tilson: With respect to?

Mr Daniels: They have maps. Part of the building of a fabric of a map—it makes it easier for you to look at other maps, to look at metes and bounds and to see if you have to remap that area. If somebody else has already mapped it—supposing MTO has mapped it, Agriculture and Food has mapped it, or revenue assessment has mapped it or even the city or municipality has mapped it—we would go into partnership rather than rebuild the base maps. That's the kind of partnership we're talking about, not to redo what government has already done once but to build upon it.

Mr Tilson: I have one other question, Mr Daniels, with respect to the registry office consolidations. Remember that?

Mr Daniels: Yes.

Mr Tilson: Can you tell us how those offices have become more efficient?

Mr Daniels: First of all, I think when you're talking about efficiencies—I meant to bring them; I think I have them in my briefcase—I had a number of letters from solicitors and barristers in the city of Peterborough. The Peterborough lawyers sit in sort of a corner of Ontario where their land information records, even though they're part of Peterborough county—this would be Cavan township and the city of Millbrook—were housed down in Port Hope. They were really pleased to see those documents returned to Peterborough county.

I'm a personal example. When I was buying a piece of cottage property in the village of Trent River and I hired a Peterborough lawyer, I found out he had to go all the way down to Colborne to register that property and yet I was in Peterborough county or nearby.

Mr Tilson: But now the lawyers from Arthur have to go all the way to Guelph.

Mr Daniels: The lawyers from Arthur go to Guelph, but then what about the lawyers from Guelph? They don't have to go to Arthur.

Mr Tilson: It's chicken and egg, Mr Daniels. It's been a pleasure asking you questions this afternoon.

Mr Daniels: No. I think—

Mr Tilson: I'm going to move on to another area.

Mrs Marland: Speaking as a lawyer.

Mr Tilson: I'd like to talk to the minister and her staff with respect to this \$50 fee now being charged with respect to corporations. I'd like to spend a few moments with that.

Mrs Marland: You're asking that for all of us.

Mr Tilson: Yes. Can you tell us how many companies were not filing to date, prior to this regulation coming forward?

Hon Ms Churley: I think I'll ask Mr Daniels to answer that.

Mr Tilson: You handle that, too?

Mr Daniels: Yes.

Mr Tilson: I thought I was going to get rid of you.

The Chair: You were inches from a clean getaway.

Mrs Marland: He's really quite a nice person.

Mr Daniels: I think we both are.

Anyway, that's a very, very good question and that was the main reason for us to upgrade our database. In 1987, we did a study on the information in our company's database. It was a manual database. In 1976, we made a decision not to ask for an annual return or an update, but by 1986-87, when we looked at the data, it was 60% out of date, 60% wrong. That's very important when you realize that every day thousands of people—each year 350,000 people—come in either by mail or letter or in person to search those records. They believe they are accurate data and it's 60% wrong.

Mr Tilson: Mr Daniels, prior to the \$50 fee being introduced, can you tell us how many companies were not making these filings?

Mr Daniels: The non-compliance was close to 60%.

Mr Tilson: As a result of that 60% not making their filings, what happened then?

Mr Daniels: Well, this is the very important part. If those 300,000 to 400,000 people—it climbs in the good years. In a non-recession, it climbs to almost 450,000 people who search those files, and it has to be up to date. I think we have a responsibility to the public and to other businesses. By the way, most searches are business to business; not individual consumers but other businesses.

Mr Tilson: Mr Daniels, my question was, at that time when the filings weren't made, prior to the \$50 fee being implemented, what would happen?

Mr Daniels: They would be getting information that would not be current and would not be accurate and they may be making business decisions that were not correct.

Mr Tilson: What do you mean? They'd just proceed. Their records would be up to date, but what would the ministry do as far as those companies that didn't make those filings were concerned?

Mr Daniels: We have a compliance unit. If somebody was non-compliant, we would get hold of them and say, "You've got to update your filing." But that's a lot of effort for a non-compliance of 60%. We would only know about non-compliance if somebody searched and found that things were really out of whack, like the officers weren't up to date, the address was wrong, the company had been dissolved or the company had been amalgamated. So many things can happen to a business, and if it's not kept up to date, you or I, who are looking to—

Mr Tilson: I understand that.

Hon Ms Churley: But Mr Tilson, the reality is that we'd only find out if people complained and told us. It's a real problem having inaccurate information there.

Mr Tilson: So now, because the \$50 isn't paid, you'll know. Is that what your answer is?

Mr Daniels: Because the fee will ensure that the filing is up to date.

Mr Tilson: But how will you know? So they don't make their \$50 payment. So what? Why would you know now with the payment of the \$50 any more than you would know before the implementation of the \$50 fee?

Mr Daniels: Because we will send a mailing over the next while to over 500,000 corporations. Because they're out of date, we know that many of those corporations have long ago dissolved.

Mr Tilson: I'm aware of that, and if that was discovered, all you would simply do is revoke their charter. That's all you'd do.

Mr Daniels: That's right.

Mr Tilson: I'm trying to get to the rationale of the \$50 other than what the minister said in the House, which I don't—

Hon Ms Churley: Ontario is the only jurisdiction in the country—

Mr Tilson: Oh, I know. I've heard that.

Hon Ms Churley: This is important. Ontario is the only jurisdiction in the country where there's no fee for annual filing. A problem has been created because Ontario hasn't been doing this. It costs businesses money when they're getting wrong information. It's a fairly serious problem that's been building up over time, which we have corrected.

The Chair: Mr Tilson, you have the floor. I'm sorry.

Mr Tilson: I'm sorry?

The Chair: I was apologizing to you. You have the floor.

Mr Tilson: I know that. I know I have the floor.

Mr Daniels, my question would be, are you able to provide us now with the complete list of fees charged by the ministry for incorporation, which would include the initial corporation fees? I guess what I'm looking at is the overall revenue that is received by the ministry each year for incorporation fees, any other fees such as this \$50 fee, your anticipated revenue that you're going to receive presumably, which is anticipated in these estimates, and any other fees. Are you able to provide that for us?

Mr Daniels: Sure. I don't have the actual fee schedules with me, but I could provide you the fee schedules. As you can see, the revenue is in the estimates book, as those fees generate revenue.

1710

Mr Tilson: I guess what I'm looking down for is a breakdown for this year—

Mr Daniels: Yes, by fee and what that fee generates.

Mr Tilson: —last year, your anticipated amount for the coming year.

Mr Daniels: Absolutely. Every fee would show that fee and what kind of workload that fee would generate.

Mr Tilson: What revenue that would generate: Are you able to tell us what amount of revenue you anticipate will be generated from the \$50 fee?

Mr Daniels: A net of operating of \$8 million.

The Chair: What's the gross, Mr Daniels?

Mr Daniels: Ten million dollars.

The Chair: And this goes into general revenues?

Mr Daniels: It goes into consolidated revenue. All our revenues accumulate to the consolidated revenue fund.

The Chair: They're not dedicated revenues to your department?

Mr Daniels: Not at all.

Mr Tilson: This letter that goes out to corporations is rather confrontational.

Mrs Marland: Very; it's threatening.

Mr Tilson: Perhaps my question is unfair to you, perhaps the question should be more to the minister. The letter, Madam Minister, is very confrontational, and I'm sure many members of the House from all sides have received comments with respect to this letter, that they find it very confrontational, very threatening.

Aside from whether the \$50 fee is good or bad—and I happen to think at this particular time it's not a good policy—can you tone down this letter if you're sending this out on a regular basis? For example, "Failure to provide this information correctly within the time allotted can have serious consequences;" for example, "You may not be able to enforce your legal rights in court."

Mrs Marland: It's threatening, during a recession.

Mr Tilson: It's very tough.

Hon Ms Churley: I understand that particular letter you're quoting from was changed. Some of that language was taken out. I can get further clarification on that from Mr Daniels or from my staff here. The letter itself, the point that we needed to get across, because this has been inefficient for a number of years and businesses have been lax in filing—we wanted to indicate as strongly as possible that this was unacceptable. I guess the choice of words was reflective of that.

As I said, and we can confirm this, I think the language was toned down somewhat. But none the less, the letter is still fairly strong in that we need to get a message across that this is serious and that we have to get our file up to date.

Mr Tilson: Can you send me a copy of your most recent letter, Madam Minister?

Hon Ms Churley: Certainly; we can do that. We don't have it here today, do we?

Mr Daniels: I don't have it.

Mr Tilson: I understand.

Mr Daniels: I can tell you that when we were drafting that letter, just to let you know that it doesn't come out of the blue and it doesn't come out of a lack of consultation, we have a frequent-user committee in the companies branch. As we were developing the business information system, what's called ONBIS, we took to them the kind of correspondence we would send out around the filing and said, "What kinds of words should we be saying in these letters?"

This would include organizations like the chamber of commerce, the Canadian Bar Association—Ontario and the Canadian Federation of Independent Business. These people all sat around and looked at various drafts of that letter. What they asked us to do in drafting these kinds of letters was, in plain language, to translate the obligations. This is very difficult.

If you look at the Corporations Information Act, and if I just quoted that section about the fact that you couldn't

pursue your legal rights, it's a very convoluted non-English way of putting it. We tried to come up with a plain language way of saying: "Please keep this corporate filing up to date; it's a requirement under law. And if you don't, there are certain things that happen to your corporation."

In this act there are all sorts of things, like it's a \$25,000 fine, it's a legal—if we quoted the section of the Corporations Information Act, then you would be really wondering; you know, it would be quite—the long list of penalties and obligations. But we took it and boiled it down to small, plain language. We had our legal staff work on this to take government corporate language that lawyers would understand. In fact, lawyers helped us form this—lawyers from the CBAO and lawyers from the Ontario Chamber of Commerce—to come up with something plain. It's plain, and some people saw it as threatening, but it's clear.

Mr Tilson: I expect the letter was written by a lawyer.

Mr Daniels: Yes, it was.

The Chair: I can see where the \$2 million of your operating costs went, into mostly drafting the letter.

Mr Daniels: Drafting the plain-language letter, yes.

Mr Tilson: Mr Daniels, when you're preparing the breakdown of fees, I would like your statement to include the total revenues, current, past and anticipated, from each fee. Is that possible?

Mr Daniels: Yes, that's for sure. That's the way our fees break out anyway. We do this all the time. We look at our fees and our revenues.

Mr Tilson: You can make that available to us next week.

Mr Daniels: Yes.

The Chair: I think I'd like to shift to Mr Cordiano, if that's convenient to you.

Mr Tilson: If I could just finish off on this one area, although probably Mr Daniels will resurface again, I suppose.

Interjection: We hope.

Mr Daniels: We've been doing this all year, I think.

Mr Tilson: With the \$50 registration fee, can you tell us specifically how the system will become more efficient?

Mr Daniels: The database will absolutely be current. We'll know who the boards of directors are, who the officers are, where the addresses of the companies are.

Mr Tilson: You should know that before, though.

Mr Daniels: No, we don't.

Mr Tilson: Sure. If they didn't file their return each year, you'd strike them off the list.

Mr Daniels: No, no. Right now there are almost 600,000 companies out there; we expect only 300,000 are really active.

Mr Tilson: No, but if you didn't file a return, you could strike them off the list, whether there's a fee or not.

Mr Daniels: Coming in the future, you mean?

Mr Tilson: Yes.

Mr Daniels: No, there has to be a period of time, because it's hard to revive a company. We wouldn't be that

arbitrary, because of the complexities of revival. Although I know a lot of law firms would have those companies that have dissolved waiting and not file or anything and would wait until the company was dissolved.

Mr Tilson: You're briefing the minister very well, Mr Daniels. Thank you very much.

Interjection: Take that as a compliment.

Hon Ms Churley: I will take that as a compliment. Thank you, Mr Daniels.

Mr Cordiano: I'd like to direct your attention away from casino gambling. I think we've covered that enough. Besides, we're running out of time. I'd like to cover it some more, but I have to get on to some other matters here.

Hon Ms Churley: We'll have time in the House.

Mr Cordiano: Let's talk about the fuels safety branch. I don't know if there's anyone here. I see there is.

Ms Wolfson: There is Mr Walter, our assistant deputy minister available.

Mr Cordiano: I think it's fair to say that in regard to this area we've seen really quite inadequate regulations surrounding petroleum tanks. What's occurred as a result is a number of accidents across the province, incidents in Huntsville, Hillsburgh, Timmins and as recently as back in August 1991 in Ancaster, where there was an evacuation of six homes. I recall that.

What happened in Ancaster was that there was a suspected source in a nearby service station. An inspection of that storage station had not been carried out for at least six or seven years. I wonder what's happening in that area, because it's of great concern with respect to the safety of drinking water and the kind of contamination that could result from the leaching that occurs from these tanks.

In 1983 this province passed regulations requiring that old, unprotected steel tanks be replaced by January 1, 1991, and then, rather than enforcing that, you extended the deadline indefinitely, I believe, unless you can give me indications otherwise. I don't have that information in front of me. I'd like to ask, how many inspectors are there for the province? How many of the existing tanks out there have not been inspected within the last five years?

1720

Hon Ms Churley: I think you've already met Mr John Walter, who is the assistant deputy minister of the technical standards division. He can answer some of the more technical questions. Certainly, the issue you brought up around the leaking underground storage tanks is one that I have addressed, and we are working on regulations at this time. Again, I'm glad you raised that, because it's an important environmental issue. Perhaps Mr Walter can give you more details on that and also your other questions.

Mr Cordiano: Yes, I'd like him to answer. With respect to the deadline, you've extended that deadline. Are you bringing in new regulations to deal with that?

Hon Ms Churley: We'll let John explain the circumstances around that issue.

The Chair: Welcome, Mr Walter.

Mr John Walter: The initial change regarding those tanks was that any tank installed prior to May 1, 1974, was required to be upgraded or removed by January 1, 1991. I guess we were approached in the division by people in the industry mostly because of the economic climate; by forcing some stations to immediately change, remove or upgrade the tank, they quite frankly would have gone out of business. They asked us to give them a little more time to complete that upgrading. We extended the time period to January 1, 1992, and in fact the program has now been completed for some time. So all of those tanks prior to 1974 either have been removed or have been upgraded to meet the standards.

Mr Cordiano: So that's all completed now?

Mr Walter: Yes, sir.

Mr Cordiano: How many inspectors are in the field to inspect tanks on a regular basis? What does your inspections program look like now?

Mr Walter: I'm unable to tell you how many are in the field to look at those tanks, because that branch looks after all the fuel safety areas. We're doing natural gas, petroleum, a number of areas, so I couldn't give you a breakdown that of the 33 of them, there are four doing these kinds of tanks. This is part of their regular duty.

Mr Cordiano: What you are suggesting to me is that you've brought everything up to date with respect to upgrades that were required.

Mr Walter: Yes.

Mr Cordiano: And that Ontario is, as of today, not threatened by any potential leakages from old tanks?

Mr Walter: We're not threatened by any potential leakages from tanks installed prior to May 1, 1974. There may be some deterioration since that time, but it was the tanks prior to 1974 that we were mostly concerned with. We're fairly certain the equipment that is there now is safe.

Mr Cordiano: That's why I asked, for example, what kind of inspection program was in place, in order to ensure that this level of safety is going to continue and to give people assurance and confidence that this level of safety will be maintained in the future. Are you carrying out regular inspections? Is there a program in place for that?

Mr Walter: We presently meet the standards set by the gasoline handling code, which is a national code dealing with gasoline across Canada. We are in the process of meeting the standards of that code and in fact are upgrading the code. The minister herself has requested within the last couple of months that my division particularly focus on this area, and we are presently proposing a regulation change to bring Ontario in line with the most recent gasoline handling code.

What that new code will do is that we will continue to monitor the double-wall underground tanks and the piping associated with those tanks. We will be asking that existing upgraded underground tank systems installed after 1974 will be further upgraded by December 31, 1995. So we're going to continue to look at that next group, the ones we have not already dealt with.

Mr Cordiano: So there are potentially difficult groups of tanks throughout the province that you can easily identify and you're working on?

Mr Walter: Yes, and if I could continue, there are other things under that code, underground storage tanks and associated piping, used for bulk plants and used oil, installed prior to 1974, that again will be required to be updated by 1995. We will have improved inventory control provisions for all facilities and, finally, all aboveground tanks in excess of 5,000 litres capacity will be diked. This is a change that can be put through the gasoline handling code, it's a change that can go through by regulation change, and we would hope to have that in place in the fairly near future.

Mr Cordiano: Do you have a record of how many spills or leaks there have been over the last number of years and what the cost of cleanup was for each of those leaks?

Mr Walter: I don't have those with me. Obviously, we will only have those that were reported, so I can't tell you that we know of all of them. I do not have that information with me. I can get that for you.

Mr Cordiano: You're telling me there were incidents where there were leaks or spills and we weren't aware of them, or the ministry wasn't aware of them?

Mr Walter: I'm saying to you that we are fairly certain that the information we have is accurate, but we would not know of everything if someone did not report that.

Mr Cordiano: What do you mean, "someone did not report that"?

Mr Walter: If there was a spill on someone's farm someplace, they would be required to report that under the law.

Mr Cordiano: Yes.

Mr Walter: If they did not, we would not have that information, obviously. That's my point.

Mr Cordiano: I see.

Hon Ms Churley: Can I add to that just to make it clearer? There are a lot of old tanks—and that's what we're referring to—that we need to get at, and some of those are on farms. They were installed a long time ago and that's why it would be impossible for a small spill in an isolated location—if we're not told, we're not told, and that's something that we are, of course, concerned about, and we want to deal with those old tanks.

Mr Cordiano: Well, it is a serious matter with respect to the contamination of groundwater, and we just want to make sure there is a program in place to continue follow-up inspections throughout the province in difficult spots. Obviously, you're going to do that and we'll have to come back to this and make sure there is a program in place. We want to see that that does occur.

Hon Ms Churley: It's a concern. Just to reassure you, as Mr Walter said, that is a personal concern of mine and I requested that there be some more work done in this area. I'm very glad you asked that question today.

Mr Cordiano: Okay. Well, we're agreeing on some things. I want to move on, and I would imagine, Mr Walter, that technical standards is yours so we'll continue with questions in this regard with respect to elevating devices.

I want to know why, on page 42 in the explanatory notes, the ministry is providing funding for Hydro inspectors approved by treasury board for pressure vessel safety. I'm sure you have a ready answer for that.

Hon Ms Churley: Oh, absolutely. I'll let Mr Walter answer that.

Mr Walter: That's not elevating devices.

Mr Cordiano: No. I want to get on to elevating devices—that was the main focus—but I want to start off with why it is that you're funding Hydro inspectors for pressure vessel safety. Why is it that this ministry is funding that? It's just curious to me why that's occurring.

1730

Mr Walter: That's a misnomer, perhaps. It doesn't say that we're funding the Hydro inspectors. It says that Ontario Hydro was funding inspectors for us.

Ontario Hydro had embarked on a project to revitalize some of the steam plants it used to generate hydro. Over the last 18 months, they've particularly focused on some plants like the Lakeshore plant in Mississauga.

The pressure vessels safety branch is a branch that ensures, under the Boilers and Pressure Vessels Act, that any kind of equipment in the production of steam is produced to an international standard.

In the refurbishing of these plants that Ontario Hydro was responsible for, it would need to be upgrading equipment, it would need to be doing welding, it would need to change the kinds of equipment it had. It is the staff in that branch that would go in to ensure that those were made to that international standard.

We particularly requested funding from cabinet. Because we had to go in partway through the year, we asked for some additional funding so we could hire three inspectors. Ontario Hydro was paying us the revenue for those inspectors so that we could get on with the work it wanted to do.

Mr Cordiano: Fair enough. How much time do we have, Mr Chairman?

The Chair: We've got about 11 minutes.

Mr Cordiano: Let's deal with this very critical area with respect to the program for elevating devices. There have been two increases in licensing fees this year. I believe there's been an increase—this is from the figures in the estimates—with respect to handicapped lifting devices. Actually, there's been a quadrupling of that fee, from \$50 to \$250. Do you not think that's quite a steep increase in one fell swoop, Minister? If you're going to have increases of that nature and all of the licensing fees and revenues generated from that, there should be some consideration for increases in inspections.

I know my colleague the member for Ottawa West talked about shortages and asked you a question in the House some time ago with respect to a shortage of inspectors in Ottawa. He pointed out the very real dangers that

exist with the lack of inspectors out there to do the very necessary inspections over the next while; he brought up what amounts to a real shortage of inspections over the last number of years.

What have you done, what steps have you taken, to overcome those inadequacies? Give me some information with respect to how you offset the fact that you've increased fees and you haven't really increased inspections, at least not the last time we got any information on this.

Hon Ms Churley: Let me address one of your first questions on the disabled elevators. Quite simply, the issue around that is that the fees haven't kept pace over the years at all, and that the disabled elevators cost more to construct and install. We believe that the fees we now charge are compatible with the work that goes into the construction, inspections and the installation inspections.

This issue was raised a number of times in the House, and I did describe, in the short amount of time we have in question period, some of the things we were doing. Perhaps this is a good opportunity for Mr Walter to give you a little more information about how we're coping with the huge number of elevators and devices we have in the province since the construction boom.

The Chair: Mr Cordiano, you have about four minutes left. Just to assist you, if you had a series of additional questions you wanted to place on the record at this time, I would like to share that with you; if not, then Mr Walter can proceed and respond to your questions here.

Mr Cordiano: Actually, I'd like to conclude this in the time I have, but I also have some written questions which I'd like to submit at the end of my time. They're a little more detailed, so we'll get more precise information.

The Chair: You can do that when you've completed your comments. Please proceed.

Mr Walter: There are 33,000 elevators in Ontario. Because of continued constraints in those areas, we have not hired more elevator inspectors; you're aware of that. There are two ways we're dealing with it. The first problem was that we could not, during the boom times of construction, hire inspectors to begin with, because they were making more money in the industry than we were prepared to pay them.

So some two years ago we initiated an elevator inspector trainee program. The first three graduates of that program will be finished early next year, probably January or February. In placing them, we're looking especially towards Ottawa and Thunder Bay, obviously, where they're vacant. We have six other inspector trainees who will probably complete the program some time early in 1994; it depends on the individual involved. We'll be putting nine more inspectors into the field in the next 18 months.

The second way we're trying to focus the present resources is that we're implementing a system called Index, which applies to the whole division but, within elevating devices branch, particularly records all the installations out there; tells us the kind of equipment, the age of the equipment, the last time it was inspected, the maintenance program and that kind of thing.

What we'll be using that Index system for is to tell us where there are problems. We will build up a history of what is occurring in the industry. We will then be able to focus the number of inspectors we have on the areas where they actually need to go and do those inspections. We've got an unofficial way of doing that now. We know that in some of the big buildings in downtown Toronto that are owned by large firms and have high-paying clients, those elevators are maintained spectacularly well, but that's fairly unofficial. We need to have something that's much more fine-tuned.

There are three parts to that system. We're doing the third release of it right now, and we hope to have that fairly well implemented by May or June of next year. We will have a certain amount of data in that and we will start to build up some history. Those are the two ways we're addressing that issue.

Mr Cordiano: At the present time, you're satisfied that safety is not being compromised through the lack of inspections?

Mr Walter: I don't believe safety is being compromised, because of the redundant kind of equipment on elevators. The equipment is there to ensure that people who are using them are safe. There may be some inconvenience if elevators aren't serviced as they need to be, but our prime mandate is safety of elevator equipment, not serviceability.

Mr Cordiano: That's fine, thank you.

The Chair: Mr Cordiano, do you wish to formally put on the record a series of questions, not reading into the record, but officially handing them to the clerk, and then they'll form part of these estimates?

Mr Cordiano: Yes, I'd like to do that.

The Chair: The ministry responses, it goes without saying, will go through the clerk, who will make sure they're distributed to all committee members. Thank you very much, Mr Walter.

Mr Tilson: I have a number of questions which I'd like to table. I don't have them in writing; perhaps I could read them into the record.

The questions have to do with Bill 26. It's essentially a letter I wrote to the minister on September 14, which I've also read in the House. I'm still awaiting an answer. The questions with respect to that new legislation are as follows.

First, what requirements are placed on both the municipality and the charitable and religious organizations in applying for a licence? What about Nevada tickets? Who can apply for and sell them? What about sports lotteries? Can any charitable or sports association run one of these now under this bill? As this bill has not yet received royal assent, are there requirements for licensing under it to take effect at this time?

Second, what is the result of the consultation in the second draft? Will you be introducing these amendments as a bill in the Legislature, or will they merely be regulations to Bill 26? If so, when can we expect it to be introduced? Will we, as legislators, get an opportunity to debate these proposals, as I have a number of concerns regarding

them? What guidelines are the municipalities and organizations to use in the meantime?

The third question is, when can we expect this order in council to be introduced, and what are the municipalities to do in the interim?

1740

Other questions have to do with the entertainment standards branch. Specifically, I would like to know the number of people who are members of the casino project staff who are from other ministries. Are their salaries paid by their respective ministries? If the head of the entertainment branch, who I understand is Mr John Chalmers, who is heading up the policy and native issues section in the casino project, who is responsible for the introduction of the charitable gaming legislation?

I would like to receive some information about Mr Alfieri, who has made presentations to this committee and who has been hired for the casino project. I would like to know what his qualifications are to proceed on this.

The Chair: By that, Mr Tilson, do you mean the basis on which the decision was made in order to contract him to do these services for the government?

Mr Tilson: I'd like to know what Mr Alfieri's qualifications are. With respect to adult videos, which is an area Mrs Marland expressed some concerns with, is the ministry discussing with the federal government regarding the definition of "pornography" under the Criminal Code? I'd like to know what discussions they're entering into, and what attempts have been made to reconcile the guidelines of the Ontario Film Review Board with the Criminal Code. I would like to know why Robert Payne's contract was not renewed as chair of the board. I would like to know what steps the minister has taken to ensure that the decisions of the film review board do reflect social norms as expressed in the Criminal Code. I would like to know what the minister thinks about the proliferation of adult video stores and the types of films distributed in them. What plans does she have to deal with this issue?

My question to the minister is also with respect to the registrar general's office. I'd like to ask a series of questions now. Can she tell us the cost of the move to Thunder Bay?

Ms Wolfson: Mr Daniels again would be the appropriate person.

Hon Ms Churley: We have to get Mr Daniels again.

The Chair: Welcome back, Mr Daniels. Some of us have missed you, actually.

Mr Tilson: I feel I know you very well.

Mr Daniels: I think this has been stated in the House a number of times. As to the relocation to Thunder Bay, the registrar general employed 157 public servants here in Toronto; they were all offered an opportunity to relocate to Thunder Bay and unfortunately only six chose to go, leaving us a lot of job opportunities in Thunder Bay. But also that reduced our cost. Obviously the high cost of relocation is the relocation of people from Toronto to Thunder Bay, so the costs of relocation were quite minimal. Total costs to

the ministry are in the area of \$3 million in terms of removal costs, training costs, overlapping appointments etc.

Mr Tilson: Included in that would be the training program. Can you provide us, in due course, with a breakdown of that?

Mr Daniels: Sure. In fact, we have a very detailed breakdown. In fact, I want to put a commercial in here, if I can.

Mr Tilson: Please do.

Mr Daniels: By providing those opportunities in Thunder Bay, I just want everybody to know that we went out of our way to be an equity employer, not just on a margin: 20% of the staff are native Canadians, another 20% of the staff are physically disabled and 40% of the staff are single parents off welfare. That means that 80% of the working population of that office were on social assistance. We've saved the taxpayers close to \$1 million per annum in off-welfare costs.

We've taken a lot of heat about other things about the RG, but there are some really wonderful things about the relocation: the employment of native people, the employment of disabled people, the employment of people who didn't have a stake in the community. I know it's a commercial. I always feel bad that we're hammered by it.

I just want to add to that commercial. Now they've learned their job. Since last year, none of these people have left. They've all stayed with it, they've learned their jobs. It took them a time. The service times today—I just thought I'd check today—to register an event once we receive it is five days. The service time to deal with a birth or death or marriage certificate—and you know how horrific it was last summer—is now down to eight days.

Mr Tilson: That's the question. I don't know about Mr Cordiano, but certainly in my office we're still receiving complaints of lengthy delays. I guess that's the real question. It's fine to talk about all these wonderful things, but the other issue is the efficiency.

Mr Daniels: And the efficiency is back. It took time—

Mr Tilson: I can only tell you that that's not what we're hearing from our offices.

The Chair: Mr Daniels, would it be appropriate for Mr Tilson to bring these concerns to your office?

Mr Daniels: In fact, that's what we should do. I just want to say that there are individual cases that will fall through the cracks and there are areas that are still backlogged in change of name.

The Chair: And if I may ask, if you're going to submit the response to Mr Tilson, which will be circulated to the committee, if you would include what happened to the staff in Toronto which did not—

Mr Daniels: All were placed. There were no layoffs; we found a job for everybody.

Mr Tilson: Where did they go?

The Chair: Can we get that in detail?

Mr Daniels: Sure, I can tell you where everybody went. It was good news on that side, too.

Mr Tilson: Do you deal with condominiums, Mr Daniels?

Mr Daniels: I deal with condominiums, but not on the policy.

Mr Tilson: In that case, I'd like to ask a question on condominiums. Mr Chairman, perhaps to the minister: I'd like you, Madam Minister, to talk about what your procedure in timing is with respect to Bill 81. I know there's been substantial amendments; 100 or 200 amendments have been proposed. What's your proposal with that bill?

Hon Ms Churley: As you know, we introduced the bill for first reading, and after extensive consultation with all of the stakeholders and after the first reading, we then continued to work with the stakeholders. We invited them to get them involved, because this bill hasn't been changed in some time and we know that once a new bill is introduced and passed it's around for a while, so we feel it's very important that all the stakeholders have a say now in the amendments and where it goes from here.

I'm hoping we can have it on the agenda for second and third reading as soon as possible. As you know, the legislative agenda is full now, but I think it's a very important bill that the condominium community is quite interested in seeing us move on, despite the fact that they've asked us to make several changes—a lot of minor ones, but some more significant changes. The overriding concern now is that we do go on with it.

Mr Tilson: I guess that's what I'm looking at, what your plans are. I suppose you have to discuss things with Mr Cooke; I understand that. I have received a number of concerns from individuals as to what your plans are. Are you going to be continuing consultations, or when can we tell them you will be proceeding with this?

Hon Ms Churley: First of all, my answer's about the same. It's the House leader's decision, and of course it involves negotiations with the House leaders from the other two parties. I hear, I think quite loudly, that there's general support from both caucuses across the floor, and I'm hoping very much that we can come to an agreement to move ahead quickly. But you know as well as I do that I can't snap my fingers and get something on the agenda, but with cooperation and support from all members of the House, I'm sure we can get it on very soon.

Mr Tilson: The amendments that have been suggested are substantial. Would you be proceeding with those amendments or the bill as is?

Hon Ms Churley: We will be proceeding with some of those amendments. That was a commitment we made, that—

Mr Tilson: There are some 100 to 200 or more amendments. Would you be proceeding with all of those?

Hon Ms Churley: We don't know at this point how many we'll be proceeding with. I don't believe we'll be proceeding with all of them, but we have to assess at this point. The staff are now in fact working on lots of very positive and interesting responses that we got back from our consultation.

Mr Tilson: Okay. Mr Chairman, how much time do I have?

The Chair: You can take another five or six minutes. When we're called to the House, I need approximately a minute and a half to complete our votes.

Mr Tilson: The next set of questions returns to the elevating devices. My question is to anyone, Madam Minister, yourself or Mr Walter. Can you tell me how many inspectors there are now, and last year and the year before?

Mr Walter: I can tell you that there are 33 now. I'm sorry, I can't tell you the year before or the year before that. I've only been on the job this past year.

Mr Tilson: Can you undertake to get that to us, last year and the year before? Can you tell me whether they have increased or dropped or stayed about the same?

Mr Walter: It's stayed about the same, it's certainly not increased.

Mr Tilson: It may have dropped?

Mr Walter: It may have dropped one or two, yes, sir.

Mr Tilson: Can you tell me why?

Mr Walter: Staff retiring.

Mr Tilson: Can you tell me how often every elevator is inspected?

Mr Walter: At the present time, our inspection is running—if every elevator, it would be maybe as long as five years.

Mr Tilson: Is this sufficient?

Mr Walter: I think it is sufficient, as I said earlier, to provide safety, yes.

Mr Tilson: How many accidents have there been involving faulty elevators in the province over the last three years?

Mr Walter: There have been three serious situations since going back to about 1989. There have been deaths in those situations.

Mr Tilson: I don't have that information now. Can you undertake to provide the number of all accidents involving faulty elevators in each of the last three years?

Mr Walter: I can undertake that. I'd just like to clarify your term of "faulty." "Faulty," you're seeming to suggest, is an equipment failure. A number of those accidents occurred because of the maintenance people doing something to cause a failure, and those people have been dealt with by the courts. There have been some situations where a mechanic has used jumper cables to bypass certain safety equipment. So I don't want you to feel that it is faulty elevator equipment, but I can give you whatever figures you would like.

The Chair: Thank you very much, Mr Walter. I apologize for interrupting, but unless I complete the votes now, we won't be able to complete these estimates.

Given that the time allocated by consent has been completed for the estimates, shall vote 901 be carried? All in favour? Opposed, if any? Carried.

Shall vote 902 be carried? All those in favour? Opposed, if any? Carried.

Shall vote 903 carry? All those in favour? Opposed, if any? Carried.

Shall vote 904 carry? All those in favour? Opposed, if any? Carried.

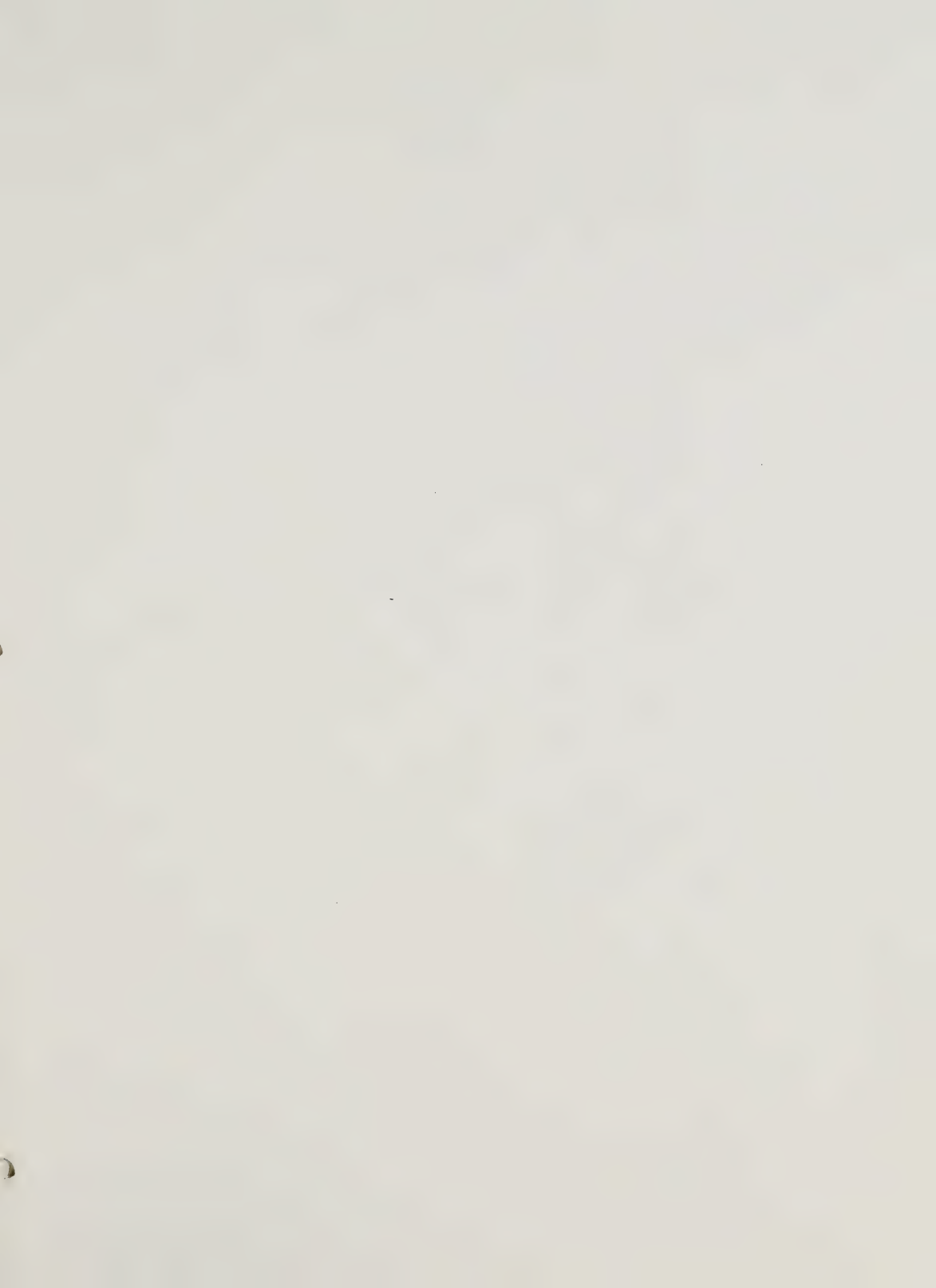
Shall vote 905 carry? All those in favour? Opposed, if any? Carried.

Shall vote 906 carry? All those in favour? Those opposed? Carried.

Shall the 1992-93 estimates of the Ministry of Consumer and Commercial Relations be reported to the House? All those in favour? Opposed, if any? Carried.

This standing committee on estimates stands adjourned until following routine proceedings on November 4, at which time we will commence the estimates of the Ministry of Natural Resources.

The committee adjourned at 1754.





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*Cordiano, Joseph (Lawrence L) for Mr Sorbara
*Fletcher, Derek (Guelph ND) for Mr O'Connor
*Haeck, Christel (St Catharines-Brock ND) for Mr Ferguson
*Rizzo, Tony (Oakwood ND) for Mr Perruzza

*In attendance / présents

Also taking part / Autres participants et participantes:

Tilson, David (Dufferin-Peel PC)

Clerk / Greffier: Decker, Todd



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Official Report of Debates (Hansard)

Wednesday 4 November 1992

Standing committee on estimates

Ministry of Natural Resources

Assemblée législative de l'Ontario

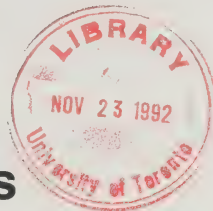
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Comité permanent des budgets des dépenses

Ministère des Richesses naturelles



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 4 November 1992

The committee met at 1540 in committee room 2.

MINISTRY OF NATURAL RESOURCES

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We have convened today to begin the estimates of the Ministry of Natural Resources. We have six hours of estimates that have been assigned to us by the House and I'd like to welcome the minister, the Honourable Bud Wildman.

Minister, you have up to 30 minutes to present your opening statement. If you'd please introduce your deputy we'll proceed in rotation: Mr Brown and then Mr Carr who, I understand, is going to present the concerns of the third party.

Mr Brown, do you have a question?

Mr Michael A. Brown (Algoma-Manitoulin): Perhaps, before we get started, you could indicate to us what the ground rules will be in terms of the rotation questioning.

The Chair: I always try to leave that until after the opening statements are completed and let the committee get a sense of the minister's and the committee's feeling, and then they might feel comfortable enough to try any number of options. I try to respect the minister's wish and the committee's wish and you may wish to order up your approach differently. I generally wait until the first phase is completed before we lock in how we'll proceed, but the standing orders require that we proceed with the half-hour rotations, with opening statements and the final rebuttal. So Minister, we're in your hands.

Hon Bud Wildman (Minister of Natural Resources): Thank you, Mr Chair. I'd like to introduce George Tough. Most of you know that George is the Deputy Minister of Natural Resources, and it's a new experience for me to be sitting in this chair beside George. Usually I sit over where Mike's sitting—in the past—and have at him during these estimates, but I'm sure we'll get used to this new approach.

I'm pleased to present the estimates of the Ministry of Natural Resources for the fiscal year 1992-93. As Ontario's lead conservation agency, the Ministry of Natural Resources is the steward of provincial parks, forests, fisheries, wildlife, mineral aggregates, fossil fuels and crown lands and waters, which make up 87% of the province.

As you may have noticed from the estimates briefing book, our estimates are organized along different lines this year. If you look at pages 2 and 3 of the briefing book, the reason for this is that these are the first estimates to reflect the new organizational structure of the ministry after reorganization.

To deliver its mandate effectively, the ministry is now organized into four divisions: policy, operations, corporate services and information services. Our accounting procedures reflect these changes. However, let me assure the

members of the committee that I, or members of the ministry staff, will be able to respond fully to any specific questions about spending estimates that may be asked in terms of the kind of structure we had in the past.

Over the past year, the ministry has accomplished a great deal over a wide range of policy and program areas. These achievements, which have come despite a climate of unprecedented fiscal pressure, demonstrate our strong commitment to developing the sustainability of Ontario's natural resources.

We remain committed to the provincial government's principal agenda of creating jobs, maintaining essential public services and controlling the deficit. A number of current initiatives support this agenda.

The forest industry action group, sustainable forestry and water efficiency strategy are contributing to long-term economic renewal.

Holistic approaches to managing resources on an ecosystem basis are being developed through the wildlife strategy, endangered species, and the revised strategic plan for Ontario's fisheries, SPOF II, as well as sustainable forestry.

Aboriginal self-government is being advanced through a number of initiatives.

The ministry fully supports the province's pay equity and employment equity initiatives and we might discuss those at greater length later.

The ministry's reorganization has provided some 250 additional staff to front-line positions, and more will be deployed over time, leading to a better resource management and improved customer service where the resources are and where the people who use those resources are.

Agreements signed with the Ontario Public Service Employees Union have enabled the ministry to convert more than 970 long-term contract positions to the permanent civil service. This is an important development and an indication of our commitment to treating better the people who deliver the services of the ministry and who are so important to the ministry's program.

Also, the ministry is relocating 700 main office positions to Peterborough and 200 positions to Haileybury as part of the Ontario government relocation program. The decisions of course were made prior to the change of government and were confirmed by this government. Advance moves are under way to both communities.

This year we have faced a number of very serious fiscal and strategic challenges. Fiscally, we are trying to cope with a series of expenditure reductions that began in 1990-91 as a result of the fiscal situation faced by the government. Along with 14 other ministries, our 1992-93 operating budget was reduced as part of the provincial government's plan to control the deficit.

At the same time, we are restructuring our policy focus to ensure the long-term health of ecosystems and the continued availability of the resource base for present and future generations.

We also face the need to make significant changes as a result of legislation and policy developments by other ministries; for example, aboriginal self-government initiatives, the upcoming environmental bill of rights and the terms and conditions to be set by the class environmental assessment on timber management, which we are hopeful will report in mid-1993.

We are honouring the job security guarantees made to staff as a result of our reorganization and relocation.

As a ministry, we must deal with our fiscal and strategic challenges in an open, creative and positive way. We are managing our expenditures carefully to ensure that we meet our corporate goals and objectives.

We are reviewing ministry programs to identify ways to become more efficient and effective, and putting a greater emphasis on quality service, teamwork, staff empowerment, improvements in technology and business practices, and increased consultation with the public, our staff, clients and partners.

To be prudent and responsible stewards of Ontario's natural resources, we must ensure that our policy process recognizes, but is not overwhelmed by, the continuing need for fiscal constraint. As much as possible, we must guard against actions which would severely limit our options in future to deliver resource management programs or erode the current infrastructure, which represents an investment in the future of this province.

In the time remaining, therefore, I'd like to describe the ministry's goal and strategic directions and some of our major achievements over the past year.

The ministry's overall goal, as stated in its strategic directions document, Direction '90s, is to contribute to the environmental, social and economic wellbeing of Ontario through the sustainable development of natural resources.

Our focus on sustainable development places an emphasis on sustainability as well as on development. In other words, we are moving towards an ecosystem approach to resource management which integrates environmental concerns with economic considerations at every stage of policy development and implementation.

We've identified three strategies which will contribute to developing the sustainability of Ontario's natural resources. They are valuing resources, partnerships and an improved knowledge base.

Within MNR, partnerships are important to how we deliver our mandate. Our management framework for partnerships includes definitions, policies, principles and guidelines designed to assist managers to implement partnerships.

In May, the ministry won the Institute of Public Administration of Canada's gold award for innovative management in government for our commitment to partnerships. Entries came from all provinces and levels of government in Canada which were in the competition, so it is a great achievement to be selected.

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I'd like to deal with these three strategies.

The first is valuing resources. This recognizes that the value placed on a resource must reflect the costs of its depletion and renewal as well as the full benefits of preservation. It must go beyond economic value to reflect the relative worth of a much broader range of values: social, cultural, environmental, spiritual and aesthetic.

Improving our knowledge base will help us to make the right decisions on developing sustainability and an ecosystem approach to resource management. Ontario has put the importance of sound scientific research programs high on its agenda.

To achieve our goals, we need information and knowledge that is timely, relevant and accurate. We also need information technology to achieve important social goals in empowering communities and groups through access to information. We're working on several programs to enhance our knowledge base through our information resources division. These include:

- Developing and using geographic information systems, or GIS, tools to help resource managers to plan and make faster and better decisions and help to better examine the relationship between resources.

- Developing a GIS-based integrated natural resources inventory system. When completed, this common database will provide automated access to a wide range of resource information for our staff, partners and clients.

- Continuing our work, in partnership with other ministries, municipalities, agencies and industry on the Ontario base mapping program, the foundation for most land-based digital information systems in Ontario.

- Creating and marketing an attractive, bilingual Ontario wall map showing the whole province on the same scale on one sheet so we don't have the problem we've had for so long in the north with the north on the back of the map at a different scale.

Obviously, all of this is taking place in a difficult fiscal situation. As I mentioned earlier, MNR is committed to doing its share to help control the provincial deficit. During the 1992-93 fiscal year, we've had to defer or eliminate some program spending while continuing to promote key initiatives in support of our strategic directions and the province's agenda.

While our overall 1992-93 base budget is 0.5% less than our 1991-92 base, you must take into account that some of our 1992-93 increases are for ministry relocation, conversion of almost 1,000 employees to full-time employees, and inclusion of an average amount, over the last five years, for emergency firefighting are part of this year's base. They do not represent a real increase in program funding. Also, of course, we've been affected by in-year reduction. In terms of our ability to carry out the ministry's programs, therefore, our effective spending power has been reduced by more than 8% or over \$50 million.

As part of our commitment to consultation on the MNR planning process, senior MNR staff and I met with representatives of more than 20 ministry client groups in September to outline the ministry's fiscal situation and to

discuss some of the options we are developing to address these pressures. We will continue to seek the advice and involvement of our partners on an ongoing basis to ensure that we understand their views and concerns before any major decisions are taken.

In May 1991, I announced Ontario's commitment to sustainable forestry, a program that will change the direction of forest management in Ontario. Through the sustainable forestry program, we've begun to talk about holistic forest management in Ontario; that is, management of forest ecosystems.

The sustainable forestry program includes a series of policy, research and development initiatives designed to ensure healthy forest ecosystems while managing for a diverse range of values and benefits. They represent our first steps in translating the principles of sustainable forestry into action.

Sustainable forestry initiatives include:

An independent audit of lands harvested over the last 20 years in the northern boreal forest: The audit is due later this fall and will report on the impact of artificial and natural regeneration in those cutover areas.

A comprehensive forest policy framework is being developed by an independent panel through public consultation and is due by the end of 1992. This will provide us with a framework for forest policy for the first time in the province. We've had many many timber and wildlife policies. This is an attempt to have an integrated forestry policy.

We're also carrying out research and development into alternative methods to current silviculture practices for long-term ecosystem research and demonstration forestry.

We're also cutting back on aerial spraying of chemical herbicides and funding more research into effective alternatives to chemicals, such as the famous sheep experiment you probably heard about near Chapleau.

We have instituted four pilot projects for community forestry, one in Elk Lake, one in the Highway 11 corridor, one at Geraldton and one at Wikwemikong on Manitoulin Island. These are allowing these communities to increase decision-making in the management of their local forests.

A policy advisory committee is developing recommendations for a strategy for the conservation of Ontario's old-growth forest ecosystems as well.

I mentioned earlier the forest industry action group, which is a business, labour and government partnership begun in January 1992 and is working to tackle the many challenges facing Ontario's forest products industry in the current difficult market situation and for the future.

We are developing a new private woodlands strategy and have invited public comment on proposed changes to the Trees Act that would enable local governments to pass tree-cutting bylaws. I suspect we will be discussing this later on in the estimates debate.

There is also a project that will add to the ministry's knowledge of forest values and, along with a new forest revenue system, will reflect the true financial value of the resource.

In other forestry initiatives, 158 million trees were planted in Ontario this year; that's about 480,000 less than the previous year. Our forest regeneration program planted

128 million trees on crown land. An additional 30 million were planted on private land with the help of volunteers, private land owners, municipalities, first nations and other groups through a program called Operation Tree Plant, which the ministry undertook in cooperation with the Ontario Forestry Association.

In March, the ministry restructured its provincial nursery program to meet changing demand and to make our nursery operations more efficient and effective. The Chapleau and Gogama nurseries will stop production of bareroot seedlings in 1992, and the Midhurst and Thunder Bay nurseries will stop production no later than 1993. We will continue to grow bareroot seedlings in our other six nurseries and we will be able to meet the demand for bareroot stock in the province.

The ministry also cancelled its 1992 spraying programs for spruce and jack pine budwork in northern Ontario and for gypsy moth in southern Ontario, to reallocate \$3.8 million in funding for higher-priority provincial forestry projects. The cancellation of the program is not expected to affect the health of the northern crown forest. In southern Ontario, the ministry developed an agreement to allow municipalities to arrange for spraying on private land to deal with gypsy moth.

As most of you I'm sure are aware, I'm also the minister responsible for native affairs as well as Minister of Natural Resources. It has been suggested from time to time that this may be a conflict of interest. On the contrary, I consider having the two portfolios to be an advantage, since in many cases resource issues and aboriginal issues are intertwined. Central to both portfolios is the sound management of the province's natural resources. If there were two different ministers in these portfolios, they would be faced with dealing with issues that have to be resolved, and they would be dealing with one another to resolve them. Having just one minister, it's my responsibility to resolve them for the benefit of the aboriginal people of the province and the non-native people of Ontario, to ensure proper resource management.

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The Ministry of Natural Resources has put in place a number of policies and initiatives to support the province's aboriginal agenda. These include:

We have developed the interim enforcement policy, which deals with the aboriginal rights to hunt and fish for food which, as you know, has been confirmed by a number of court decisions, particularly the Sparrow decision and the Sioui decision by the Supreme Court of Canada.

Also, we are carrying out some discussions with the Ontario Federation of Anglers and Hunters and the leadership of the aboriginal organizations in Ontario over definitions of conservation and how we can meet our obligations to protect conservation while at the same time ensuring that aboriginal people can exercise the rights they have in the Constitution and that have been upheld by the courts.

We are spending \$1.4 million to continue to upgrade our ability to fight forest fires in remote northern communities and are reviewing fire management needs and practices in the far north. Of course, this has been an issue for many of the remote aboriginal communities where almost

every year people are evacuated to places like Geraldton or Red Lake, usually because of smoke problems related to forest fires in the vicinity of their communities. These communities want to ensure that this can be changed in future and that we can avoid as many evacuations as possible.

We're also sponsoring a working committee with the Wabesemoong or Whitedog first nation near Kenora to plan and implement comanagement of natural resources on lands traditionally used by first nation members off their reserve. So far, this is an enormously successful development and a real change in the relationship between the provincial government, non-native communities and Whitedog. We're hopeful that it will have very beneficial results, both for the people of Whitedog and the surrounding communities.

We're establishing an interministerial team to deal with aboriginal concerns and resource development issues in the Moose River Basin in northeastern Ontario.

Also, we are involving aboriginal people in consultations on our endangered spaces project, which I'll speak about in a moment, which will establish new provincial parks and protected areas.

As part of our commitment to protecting Ontario's natural heritage, I announced in January that Ontario will accelerate the process of completing its endangered spaces protection program by the year 2000. This includes creating new parks and protected areas that have desired features not currently protected in Ontario.

As you know, 1993 is the centennial year for the Ontario provincial parks system. During that centennial celebration, the ministry hopes it will be in a position to announce some immediate additions to the parks and protected areas system in at least five site districts across the province.

The Ministry of Natural Resources is the lead agency in a provincial water efficiency strategy as well, the goal of which is to achieve zero growth in water use by the year 2011 through reduced use in homes, industries and government buildings. The strategy will provide immediate environmental and economic benefits and is part of the government's overall concern for water quality and better water management in the province. We have carried out an extensive consultation involving government, municipalities, the private sector, environmental groups and many other groups on this initiative, and so far it has met with overall enthusiastic support.

In June, the wetlands policy statement, a new protection measure for the Ontario wetlands, came into effect. It was issued under section 3 of the Planning Act. The policy directs municipalities and planning authorities to identify and protect provincially significant wetlands in southern Ontario and in northern Ontario. We are currently carrying on the classification of wetlands in the province, particularly in the north.

We have taken steps to enhance the protection, natural heritage and recreation values of Lake Superior Provincial Park, which happens to be in my own riding. Under the terms of the preliminary park management plan, which was released in July for public comment, logging will no longer be permitted in the park. At the same time, natural

environment zones in the park will increase by 768 square kilometres. The decision to end logging was made following a review of timber management in the park and wide public consultation.

In August, the ministry invited the public to participate in the development of the class environmental assessment for provincial park management. At the same time, an information booklet about the management of Ontario's provincial parks and the parks class environmental assessment was widely distributed. The response has been good, and there will be further opportunities for the public to provide input and comments.

I want to deal with the matter of enforcement, which has been the subject of some controversy. The ministry remains committed to conservation and protection of Ontario's fish and wildlife resources. To achieve sustainable development, we need the public to understand and comply with the principles, practices, rules and regulations of conservation.

Conservation officers are an important part of the ministry's team that ensures compliance with the province's laws and regulations governing resources.

There has been no reduction this year in the number of conservation officers in Ontario. After reviewing concerns that we needed to provide a stronger enforcement presence on statutory holidays and in potential emergency situations, we have assigned officers to work on all statutory holidays for the balance of this fiscal year. We are also working with officers to develop a more flexible scheduling program to ensure that staff are on duty as required outside of normal working hours.

The ministry's increased involvement with the successful Crime Stoppers program is also helping to ensure greater protection of fish and wildlife through greater public involvement.

As I said earlier, we are committed to managing resources on an ecosystem basis in Ontario. The revised Strategic Plan for Ontario Fisheries, known as SPOF II, demonstrates the province's commitment to moving towards this approach. The plan focuses on effective management of healthy aquatic ecosystems rather than on single species or water bodies. The province adopted SPOF II as a policy direction in June 1991 and approved the implementation plan in June 1992.

Ontario commercial fishing operators will soon begin paying a royalty of 2% on the value of the fish they catch. The decision to charge a royalty is consistent with the strategy of valuing resources and with the principles of SPOF II. A joint MNR-industry committee will establish procedures for administering the royalty and will discuss the need for making future adjustments. The royalty will provide the province with up to \$1 million annually in revenue if the harvest is good.

In response to long-standing requests by the Ontario Federation of Anglers and Hunters and other outdoors groups, Ontario will introduce a new weatherproof outdoors card on January 1, 1993. The cost of the card will be \$6. This fee will cover the cost of bringing in the program; the startup costs are somewhere in the neighbourhood of \$5 million. It is not a revenue generator for the province.

The new card will make it easier to buy licences and will set the stage for future improvements to our licensing system, which will benefit hunters and anglers, licence issuers and ministry staff, and make the whole process more efficient.

Starting in 1993, resident anglers and hunters will need the card to buy a licence and to legally hunt or fish. A licence will be a sticker attached to the back of the card, eliminating the need for most paper licences. You'll be able to have all of your licences—fish, small game, birds, moose, deer—on the same card, and it will be waterproof so if you drop it in the snow or in the water, you won't be fishing around for a wet piece of paper.

Several changes are being proposed to Ontario's hunting and sports fishing licence system following extensive public consultation during the recent fishing and hunting licence review. We will be increasing the licence fee for the first time in three years. The amount works out to an annualized percentage increase of about 6.8% over three years, but in future, increases will be done on the basis of the rate of inflation on a yearly basis.

Among the proposed changes are a new conservation sports fishing licence, three-year licences, a new seven-day and a one-day licence for non-resident anglers, and a new fee structure, as I said, which reflects the greater cost of managing our fisheries and wildlife. The changes are designed to make the system more user-friendly and respond to the needs of the province's anglers and hunters and the tourism industry.

Throughout the past year, the ministry has worked with various federal, provincial and other agencies on initiatives to protect fish and wildlife species from disease, predators and overharvest.

In January, at my request, the federal government stopped shipments into Ontario of red deer that may be infected with a parasite not native to Ontario.

With the Canadian Wildlife Service, the ministry made changes to this fall's hunting season to protect Canada geese that breed on southern James Bay, in the James Bay lowlands.

Also, I'd like to add that I've read in the press, as many of you may have done, a report quoting officials of the Canadian Wildlife Service and the Ministry of Natural Resources regarding an undercover operation which led to many charges against hunters who had participated in the goose hunt on the James Bay lowlands. I was really gratified to see the comments particularly of the officials of the Canadian Wildlife Service about what they observed in regard to the aboriginal guides' approaches to the hunt and the statements that the guides were in fact trying to protect the resource and were advising hunters when they were overhunting. I think that may give us some evidence of what actually is happening when it is not known that enforcement officers are present, that in fact the aboriginal guides in the area are committed to the proper conservation of the resource.

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With the Ontario Ministry of Agriculture and Food, the Canadian Wildlife Service, Agriculture Canada and several US agencies, we are monitoring the impact of Newcastle disease, a viral infection that affects waterfowl.

With New York state, we are monitoring the status of Lake Ontario populations of alewife, a principal source of food for salmon and trout.

The ministry has also formed partnerships with the Ontario Federation of Anglers and Hunters to help slow the spread of zebra mussels and to rehabilitate bobwhite quail populations in southwestern Ontario.

This year the government was able to redirect funds to a number of ministry priorities through its Jobs Ontario initiative. In June and July, I announced a series of projects through the Jobs Ontario Capital fund in which MNR spent a total of \$15 million to create more than 600 seasonal and longer-term jobs.

This year we also spent more than \$11.5 million to provide summer jobs for more than 3,300 young people through the Environmental Youth Corps, Ontario Rangers—the former Junior Rangers program—Jobs Ontario Youth and Summer Experience programs.

Ladies and gentlemen of the committee, these are some of the accomplishments and challenges that have faced the Ministry of Natural Resources in 1992-93. Within the current fiscal environment, the ministry will continue to focus on its corporate goals and strategies as well as the government's policy agenda, to guide how it can best develop sustainability of Ontario's natural resources.

Obviously, there are many more ministry programs which I have not had time to discuss in my opening remarks and that I expect we will be dealing with during the estimates debate. I'd be happy to address any of these programs with committee members as we proceed through the estimates.

The Chair: Thank you, Minister. Mr Brown.

Mr Brown: The first thing I would like to do is congratulate the ministry on winning the gold medal from the Institute of Public Administration. As a northern MPP who deals with ministry staff on a rather regular basis, as I think all northern MPPs do in their own constituencies, I have always found, and I'm sure all members have always found, that the personnel and the staff of the ministry have always been most helpful and do a good job in serving the needs of myself and therefore my constituents. I think you should be commended on this award.

Hon Mr Wildman: Thank you.

Mr Brown: The second thing I think I should say is that this is a more complex ministry. In my six months as critic I'm developing more and more and more a sense of the complexities both of the land use issues and the various groups and needs in society today. As we go forward, I can only wish the minister and the ministry well in coping with that great diversity.

One of the things I find interesting, though, is what you said, Bud: "I have said before and Mr Tough, the deputy minister, is familiar with the view, that I think it is very difficult for MNR to continue to try to do more with less. A conjuror can do that, but Mr Tough and his colleagues are only competent conjurors so far."

Hon Mr Wildman: It's a nice phrase, eh?

Mr Brown: Yes, a nice turn of phrase. "I do not know how much they can do by sleight of hand to ensure that the

ministry appears to be doing more when it in fact is budgeting less. How are we regenerating the forest without adequately ensuring that we are adding more to the budget to enable us to cut that backlog?"

That was Mr Wildman, estimates 1990.

I think we're all aware that the province is in difficult financial straits. We know that the provincial budget, on the expenditure side, has risen about 12% in real terms, adjusted for inflation, in only two years. That is a significant and huge increase in the spending of the province of Ontario. While revenues have not kept pace, we know that spending sure has.

When we look at the ministry and we look at your estimates, we find that there is a decrease, as you have pointed out in your opening statement, Minister, of a considerable amount of dollars in real terms. We are concerned. We're concerned that the words we hear do not match the numbers terribly well. We're concerned that the numbers are telling us something different.

If I look at the 1992-93 estimates, I notice that ministry administration is radically up. I assume—you can help me with this—that that is mostly relocation costs, but perhaps later on you can clarify that. What I thought was odd or at least different and needed some explanation is the line "Information Resources and Policy," which is increased 23% this year over the actual expenditure last year. We look at operations, and it is a 5.6% decrease.

That causes me some concern. Just looking at those numbers tells me that the actual work on the ground must be less, but that we're spending more money on information—nice pamphlets, great stuff—we're spending more money on studies, we're spending more money on a lot of things, and it's coming totally at the expense of what's happening on the ground. We would appreciate an explanation of how the priorities can be that far different: 23% increase for information resources and policy versus a 5.6% decrease for actually doing something.

In opposition you do not have the ability to have huge staffs to follow these things carefully, so this is an opportunity for us and for all members to understand some of the things that are going on.

We also notice in the estimates that there are 326 more employees in the ministry this year. We find that a little confusing, to say the least when we're seeing operations cut back. The other question that relates to that: What is the actual spending on salaries, wages and benefits for the employees of the ministry, year over year? For us, that would be a better indication than the pie charts. I'm not a big fan of the pie chart way of demonstrating because the pies often depend on how large they really are rather than the actual numbers. Perhaps the ministry could help us along those lines.

One of our great concerns over on this side is forest regeneration. We look at the estimates and we are not encouraged. There is a graph in here somewhere that shows the tending on land to be going in a downward slide that Eddie the Eagle wouldn't attempt to run down. It is untenable. I don't understand the policy of the ministry, and would appreciate some explanation of how we can cut that kind of money and that kind of work out of the forestry

section and not expect, over the years, to be in a deficit situation that is worse than it is now.

The minister, over many years when he was sitting in this seat, would say the same thing I do. We know there is a great deficit, I guess is the way to explain it, in terms of regeneration on Ontario's crown lands. That didn't happen under this government, it didn't happen under the Liberal government and it didn't happen under Tory governments. It happened under all governments.

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Hon Mr Wildman: The last 50 years.

Mr Brown: Yes. It is something where I think there's a great opportunity for the ministry to be correcting in this time of slightly decreased forest harvest. This would be a time when we could be making up for some lost ground if we had proactive forestry initiatives, regeneration, in the crown forests. Instead, we're going the other way rather radically. I find that difficult to understand and would appreciate some explanation of those issues.

I, like many other members, have heard from people in the crown nurseries and in the private tree seedling operations. They are very concerned about the future of those enterprises and crown units. I know that particularly the people in the tree seedling industry, that is, the private industry, are very concerned that they know nothing about what contracts are available for next year, which of course makes life very difficult for them in terms of doing planning for the next season. I would like some information on where we stand on those particular issues.

The famous Trees Act: I have now in my possession several hundred or maybe even a thousand cards protesting that particular initiative. We want some indication from the government about where we're at on that, what amendments might be suggested. Well, in fact we haven't seen any real legislation; we've only seen the consultation document. There's great concern among the northwestern loggers and northeastern loggers, both of which have been in to see me about those. I'm sure there is widespread concern, at least, about that issue in many parts of Ontario.

As recently as yesterday, it was brought to my attention that although the minister says he does not anticipate a real problem with dropping the spraying programs for spruce budworm and jack pine budworm, I have had the concern expressed that these are potentially a real problem in the very near future in the Muskoka area, I believe, and then some concern to the north of that. In the absence of alternatives that aren't presently acknowledged, we're wondering what the ministry's plans are there. It is fine to say, "We're not going to spray," but you had better have something else you're going to do if there's a problem in the forest. Without an alternative, I think it may be something very unacceptable to Ontario.

Changing a little bit, I'm concerned about the endangered spaces, in that as we move forward with this initiative, it seems to me we have numerous parks—I wouldn't know the exact number; maybe the ministry can tell us—that have not had park plans drawn for them as yet. As we proceed to look at new provincial lands in the provincial park system, I'm wondering where we're at with the

crown land that is now provincial park and why we can't do something about dealing with those parks. I'm concerned about the parks in general. I'm concerned that the fees for those parks have increased this year. I want to know what the expectation of the ministry is for increased revenues from those parks. I noticed somewhere, in one of your charts here in estimates, that you were looking for increased usage of the parks. I'm not sure that's happening.

Hon Mr Wildman: This year it was up 13%.

Mr Brown: That's good, and your revenues more than that, I would take it.

Hon Mr Wildman: But they're not moneymakers, as you know.

Mr Brown: Yes, I know. The other issue along the lines of parks, and this is often much larger than parks, is the conservation authorities. I've visited several of those conservation authorities.

Hon Mr Wildman: Sorry; when I said up 13%, I was talking about last year. The weather this year had an effect on us.

Mr Brown: No kidding.

We talk about downloading. The conservation authorities are having great difficulty with an in-year subtraction of 5% from their allocation, which caused great difficulties for the people doing the great work—and I believe it to be great work—in the conservation authorities of this province.

I was not terribly familiar with conservation authorities and how they worked until I had the opportunity to visit some of them. Once you start to understand what they're doing out there and the dollars they're spending, they appear, at least to me, to be providing the province with an essential service that is cost-effective. It seems to me, being managed locally, they are doing very well, but are having great difficulties adjusting to the funding cutbacks.

When we move on, we talk a little bit about sporting issues—the licence fees. This was a great issue for the minister at one point, when the minister was thoroughly convinced the government couldn't keep track of them in terms of the money coming in, although there was an attempt—and I don't quite understand the logic of why we just give up trying to keep track of the expenditure of those funds.

Hon Mr Wildman: You mean the sports fishing?

Mr Brown: The sports fishing licence; sorry. It doesn't seem to me to be too onerous a task. It seems to be something the ministry could quite easily accomplish, yet we're seeing that totally removed from one of the things the ministry hopes to do.

The introduction of the outdoors card also concerns me to some extent. I may come at this a little bit differently from some. One of the things is the accessibility concern I have for the outdoors card in that I have—and I'm sure the minister has in his own riding—numerous places that issue licences on the spot. I know, under this system, that will be radically reduced, or at least I understand it will be radically reduced. If I'm wrong, then tell me.

Hon Mr Wildman: I think if we go to a computerized system in the future, that may be reduced, but we're not at that stage yet.

Mr Brown: There's great concern, and of course there's always the concern, of cost, because everything in the Ministry of Natural Resources today is: You pay more and you get less. That's the reality of what these budget numbers are telling me. People are concerned and always concerned, and the public has a right to be concerned when government is saying, "You pay more and you get less."

We understand that the zebra mussel program has been cut in half in terms of dollars. Partnerships are fine, but spending half as much money is an interesting way to approach what is a very serious problem in this province. We understand that the purple loosestrife program does not have funding, and that only through the Environmental Youth Corps is any work being done whatever.

We have concerns relating to the land use permits on crown land and the leases, and I think we can talk about that in more detail later.

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We are also a little bit concerned—well, more than a little bit. We are wondering about the progress of Bill 162 and where the minister sees that on the legislative agenda. I know that his good friend Mr Cooke has more to say about it than he does. Where is that on the legislative agenda? We would like an assurance from Mr Wildman that when we get second reading of 162, which I presume will happen some time, there will be public hearings to deal with some of the more contentious sections of those bills.

The other issue, I guess, relates directly to Mr Wildman's comments on being both the Minister of Natural Resources and the minister responsible for the native affairs directorate. As he knows, I and our party do not share his view on the way to resolve that.

The difficulty I see in the position is that nobody is necessarily clear about who's representing his or her particular interests under this present system and that it is difficult for people from the first nations, and people not from the first nations, to know which hat Mr Wildman is wearing at which particular time. As we go through the process of dealing with the land claims—which, as Mr Wildman will know, I've been quite supportive of doing—there's a difficulty in the communities, both aboriginal and non-aboriginal, in understanding how this process works and how you get input into it at a particular time.

I would like the minister, as the Minister of Natural Resources, wearing the Minister of Natural Resources hat, to tell me what he thinks are the objectives of the Ministry of Natural Resources in dealing with these claims. Some time when he's at estimates for native affairs, he can tell them what he thinks his role is there, because it is very difficult for people to understand how these questions can in fact be settled when there is not a clear advocate for one side or the other. That's our concern.

I realize that the idea is to bring people together, not take them apart, but we think this system of using one minister for both has a potential of not satisfying either

interest group. That's just a difference in approach that our party sees.

I'm also concerned on the land claims, and I think Mr Wildman would share my concern, that there is a difficulty in paying the price for correcting the wrong. What I'm concerned about are the third parties that are involved in these land claims. If the province of Ontario has the responsibility to correct the wrongs that have been done, to set things right, it seems unreasonable to me and to many people that only a small group of Ontarians will pay the price for correcting the wrong.

I would like the minister to assure us of third-party compensation in those cases, not only to individuals but to communities that can be affected, because if we cannot get a general consensus across this province on how to deal with these issues, it is going to be very difficult for any government to settle these issues in a way that is acceptable to all the people of Ontario.

While I have a lot more to talk about, I think I'll save it for direct questions.

The Chair: Mr Carr.

Mr Gary Carr (Oakville South): I welcome this opportunity to outline some of the concerns that I share with the PC caucus as well as the critic for Natural Resources, the member for Simcoe East, who is unable to be here.

Hon Mr Wildman: I understand he's out hunting.

Mr Carr: He has prepared some remarks, and I will say that up front, not to distance myself from the statement but rather to give him the credit where it's due. He has prepared a statement which I will read and get some of the points that he wanted to make.

I'd like to focus a major portion of my remarks on how this minister's misguided policies are threatening Ontario's forest management and jobs throughout the province. Then I would like to outline some of the areas we will be covering in more detail during our questioning of the minister.

We are very concerned that our forest management infrastructure is now being threatened by a government that has little regard for the long-term consequences of its actions.

It should be noted that it was the PC member from Nipissing who launched a major tending initiative back in 1985, because he believed, with the support of the government of the day, that this kind of investment in Ontario's forest was a direct investment in Ontario's wellbeing. This tending initiative was a multimillion-dollar program designed to complement accelerated efforts by both government and industry to grow and plant enough trees to sustain our forests and to sustain them environmentally as well as industrially.

While we make no claims of perfection, Ontario Progressive Conservatives take pride in the success of what we call an integrated approach to forest management during the 1980s. It was an approach that included the development and implementation of world-leading forest management agreements in partnership with the private sector. There was a renewed focus in terms of accelerated growing, planting and tending, as I've already indicated. It

was also supported by a comprehensive fire management and pest control infrastructure among the best in the world.

During the 1980s, there was a vision and a plan with respect to forest renewal and sustainability in the province of Ontario. But I really don't think that's the case today. Somewhere along the line, driven in large part, I suspect, by quick fixes, narrow issues and vested interests, government has lapsed this commitment to our forest environment. The government has closed its eyes to the vision and set aside the plan. Instead, what's been happening today is we're now drifting directionless from pollster to Premier to headline to crisis. What's worse is we've now had a number of major policy decisions on the part of the current government that run counter to responsible resource management.

On February 12 of this year, the Minister of Natural Resources announced Operation Tree Plant, a stunning retreat in terms of Ontario's commitment to tree planting. Despite the fancy and somewhat misleading name of the program, what it means is the Ontario government is actually planting 35 million fewer trees this year as part of its traditional obligations. Sure, many of these trees will get planted, but probably in the wrong place and without proper tending afterwards at the expense of growing and unfulfilled needs elsewhere in the province.

This is not responsible and professional forest management. It is simply an ad hoc consolidation prize driven by a decision in the Premier's office to cut spending regardless of the consequences.

Then on March 24, the minister dropped the other shoe. He announced that four of Ontario's 10 tree nurseries will be closing, with two facilities in 1992 and the Thunder Bay and Midhurst sites in 1993. Again, this decision wasn't made on the basis of any long-term forest management consideration, vision or planning, but because of fiscal desperation.

Sure, they are attempting to put a good face on these policy changes in order to justify what they are doing, but by any objective measure, there isn't any question that what's happening seriously threatens forest regeneration and the future of our province's forest products industry.

The implications of this minister's misguided forest policy on the tree seedling industry and all those employed in it is obviously devastating. The ramifications for our forest are equally forbidding.

Obviously, this government's commitment to Ontario's forest is dead. Private nurseries are being methodically and deliberately put out of business because of this government's misguided forest policy. Let's face it, if the NDP were in opposition instead of government, it would be yelling and screaming about what's going on until it was blue in the face.

Hon Mr Wildman: Perhaps green in the face.

Mr Carr: Green in the face.

To add insult to injury, beyond the repercussions for the forestry industry itself, these decisions are made at the height of a recession when we need this kind of investment the most.

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The major effects of the MNR expenditure cuts will be felt in northern Ontario.

The Ontario Silviculture Association, an organization of companies that plant trees, estimates that 2,000 to 3,000 jobs, mostly for students, were eliminated in their industry this summer.

The ministry itself estimates that the closing of the four tree nurseries will cost 50 permanent staff and 180 temporary positions.

Thunder Bay city council recently endorsed a report from the local Tree Seedling Growers' Association which called on the NDP to ensure that 165 million trees are planted annually.

In the Thunder Bay region alone, the minister's cutbacks are costing an estimated 770 jobs, but the impact is being felt all across the province.

The cuts in the forestry regeneration program seriously jeopardize the future of our provincial forest products industry, an industry which supplies some 160,000 jobs in 40 communities.

What this minister and his government colleagues don't seem to understand is that if that forest industry cannot be assured of a reliable supply of wood in the future, investment will be directed to other jurisdictions.

Clearly, this government needs to be heading in a new direction.

At the same time, the industry is under pressure in terms of increased international competition, new and stronger environmental requirements, and cutbacks in pest control programs.

All this and more, and yet after two years in office we still don't have any comprehensive vision or management plan from the current administration.

I believe the solution lies in making a new and positive commitment to Ontario's forests, one that's bolstered by a long-term, comprehensive plan and sound professional management.

Mr Chairman, what I'd like to do too, now that I've finished the prepared remarks from Mr McLean, is to look for your guidance, whether timewise we should go on to a reply or start into questions.

Hon Mr Wildman: I'd like to reserve it for him later. If it's okay with my friend from Algoma-Manitoulin it's fine with me.

The Chair: I'd like to thank the Chairman for that suggestion. The member has up to 30 minutes to use any way he wishes, and he can yield the time or defer the time or utilize it for asking questions.

Mr Carr: Why don't I ask the questions then?

The Chair: If you so wish. The minister has 27 minutes for a rebuttal to respond to the opening statements. If you wish to proceed to ask some questions now, you have a fair bit of time. You have about another 20 minutes, actually. What would you like to do?

Mr Carr: The only concern I've got is, if I give up the time now, do we lose it? I'm looking for the Chair's guidance.

The Chair: No. Actually, if you suggest you want to use the time, you will get the time, but you are going to have to use some of it today because we're here till 6 o'clock. So I can't lead you. You have to tell me.

Mr Carr: I'll go into a couple of questions, but if there is some time reserved—

The Chair: You have 20 more minutes allocated to you, Mr Carr, and if you'd like to ask questions, please proceed. I'll tell you when your 30 minutes have expired.

Mr Carr: Okay, terrific. I'll start with your statement that you began with earlier today. On page 2 you talked about "agreements signed," and it's a bit of a long question if you attempt to follow me here, "with the Ontario Public Service Employees Union have enabled the ministry to convert 970 long-term contract positions to the permanent civil service." On page 3 you go on to say, "We are honouring the job security guarantees made to staff as a result of our reorganization and relocation." Before that you talk about, "Fiscally, we are trying to cope with a series of expenditure reductions that began back in 1990-91."

In other words, it seems to be that you're putting more people in. You're saying you're not losing any jobs, and yet you're spending less.

Hon Mr Wildman: Keep in mind those people are already working for us as non-classified people.

Mr Carr: But presumably, obviously they're getting at least the same amount. But you're saying on page 3 that you're honouring the commitments. If you're meeting payrolls with less money, what number of people have, for whatever reasons, decided not to relocate as part of the relocation/reorganization? We must still be down staffwise. How much will we be looking at overall?

Hon Mr Wildman: Do you want me to respond?

Mr Carr: No, I'll just keep going. I just wanted to make sure you had the questions.

There was a bit of a clarification on page 11 regarding the fishing and hunting licence review. It isn't in the written words here, but you said several changes are being proposed to the hunting and sports fishing licences, and you said the increase—I think it was an ad lib—was something in the neighbourhood of 6%, and you made a commitment to only increase it the rate of inflation. I wanted to know how many years that would be for. Is that just next year?

Hon Mr Wildman: On an annual basis.

Mr Carr: What period of time are we looking at? As long as you remain the minister? That was just a bit of clarification with that.

With regard to the ministry relocation—and this is more of an update, which I guess you can probably get into maybe even in your reply—some of the key issues that we will be looking at as a result of how many—

[Failure of sound system]

—the job loss will be, and also a little bit of an idea—

The Chair: Excuse me, Mr Carr. I'm sorry, your mike's off.

Mr Carr: The red light's on.

Mr Brown: This was not planned.

Mr Carr: I used to see a lot of red lights in my former days, as a matter of fact. They're usually behind me now, hence the reason I'm here; if I could stop pucks, I probably wouldn't be. But we're having fun here anyway.

With regard to the conservation authorities, along the same lines, as you know, there are a number of caucus members, I suspect right across both parties, who have been approached by some of the local conservation authorities with regard to concerns over the cutbacks and subsequent operating problems. We'd like to get a bit of an idea, so that we can pass that information along, of exactly what your long-term plans are regarding that.

Also, with regard to the forest industry action group, a year ago I believe the minister appointed John Valley to head the forest industry action group to develop recommendations and action plans for improving the competitiveness of Ontario's forest industry. We have some questions regarding the work of the action group to date. We would like to know if the minister could fill us in on the plans for the future and what their assessment is of the Ontario forest industry. We're thinking more in terms of not only their work but the minister and the ministry's perceptions of what the plans should be, taking into account what this group has done. What I'm asking for is a little bit of a game plan with regard to the Ontario forestry industry.

Some of the other questions that we would like to discuss will be the gypsy moth program. Earlier this year the minister announced that the \$3.8-million gypsy moth program was cancelled. I know he touched on it a little bit. We'd like to know the effects of the cancellation and what the plans will be for next year, and in terms of what the effects will be, if the minister could give us an honest assessment of what he sees happening.

With regard to the conservation officers' budget cuts, as you know, this is one that has been raised in the Legislature on a number of occasions. We still have some concerns over the levels of service in the ministry, and I know the minister did talk a little bit about some of the staffing, but could he give us some idea of his long-term plans and commitments and visions in that area?

Also, I know the minister touched on some of the areas of agreement with the aboriginals. Through the questioning over the next day, we have a few questions regarding native land claims and negotiations, particularly with regard to Algonquin Park. Again, on a number of occasions Mr McLean has expressed some concern regarding the secrecy of these negotiations. The recent release of the agreement signed on October 13 further illustrates this point. Could the minister give us an update of how that transpired and again go into a little bit more detail?

1650

Also, regarding the operating costs within the ministry, with particular interest on the increases in the salaries and percentage increases, the staffing seems to be sometimes questionable during this economic recession—if he could clarify that.

There's also the issue of the spending priorities. Earlier we talked about the effects of the minister's expenditure cuts and what it will do to the northern Ontario econ-

omy—in the statement, rather. Interest groups involved with the forest industry have argued that they are continually putting money into government treasuries through the stumpage fees and licences. However, it's rarely returned through reforestation and other essential programs. This, I suspect, has been a long-standing concern. If the minister could just give us his idea and visions of what he sees—maybe more than anything, probably, a justification for some of that.

I think I will leave it at that for now. That will give the minister some of the major concerns. Obviously, we have quite a few other questions that we will be having over the next day or so. We appreciate the minister and the staff being able to provide the information and we look forward to the answers and our ongoing discussions.

The Chair: Thank you, Mr Carr. I should indicate, as well, to committee that the Chair has not received any special requests for individuals to attend before the committee. If there are, it is helpful to the minister and his staff to invite those individuals to attend.

Secondly, if there are any additional questions you'd like to table with the committee, they can be given to the clerk. Since the committee will have a week when we're not sitting and the staff are still working, that gives them an opportunity to prepare the responses to assist this committee when we reconvene on Tuesday the 17th, I'm told by the clerk. So we will receive any additional questions if you have them, and that is helpful to everyone.

Minister, I believe you have some time now for response.

Hon Mr Wildman: I want to thank my colleagues for their remarks, particularly Mike. I want to thank you for your complimentary remarks about the dedication and work of the staff of the Ministry of Natural Resources. I served as critic for many years, as you know, for my party. As you did, I was careful to point out that the ministry plays a very important role, particularly in our part of the province, and that the staff has always carried out its duties in a dedicated and responsible and—

Mr Brown: Professional.

Hon Mr Wildman: —professional manner. I accept that we are dealing with a very complex and diverse ministry. We are responsible for the management of the resources across Ontario, and that leads to many diverse issues, as you've indicated, sometimes matters that have to be dealt with that are in conflict with one another, whether one's dealing with forestry management as opposed to remote tourism or aboriginal issues and so on.

One doesn't really just have to point to aboriginal issues. This minister, as Minister of Natural Resources, has to deal with conflicting issues all the time: whether we put a road into a lake that is a remote tourist operator's lodge location and we have the forest industry that wants to cut in the area. Of course, if a road is built, the local rod and gun club members want to be able to use that road to get in and hunt, fish and so on. So your comments with regard to my position as minister responsible for aboriginal issues as well as Minister of Natural Resources should, I think, take into account as well, that just as Minister of Natural Resources

you have many conflicting issues and matters, and different groups you have to speak on behalf of sometimes are in conflict with one another. I'll deal with that at considerable length in a moment.

First, in dealing with forestry issues, both members of the opposition have raised this very serious problem. There's no question, despite what Mr Carr indicated, that we have a significant backlog in terms of regeneration and the cutover areas over the last 50 years in this province, if not longer. I recall reading at some length some years ago a report done in 1947 or 1948 by Kennedy, which talked about the serious difficulties we were facing in terms of regeneration. So while Mr Carr may think that his predecessors in his party had a great vision, they also had a great backlog.

This is something we have to deal with and have to face, all of us, whether it's industry or government. Society as a whole has a difficult situation that we have to face. I think part of the reason we've had this difficulty is that in the past, as I said in my earlier remarks, we have never had a forest policy that has taken into account timber values, which are of course very important in terms of the pulp and paper industry, the lumber industry and the many communities in northern Ontario that are dependent on those industries; but also the tourist values and the considerable economic benefit that provides for the province and particularly small communities in remote northern Ontario; the recreational values; fish and wildlife habitat; the aesthetic values of wilderness and wilderness preservation; old growth.

We have never had a comprehensive policy, and this government and this minister are determined to develop such a policy. We came into office with a commitment to dealing with the need for the development of this policy, and we are meeting that obligation. It would perhaps have been easier to develop the policy and carry out the widespread consultation that we are doing around the development of forest policy in the province in a time when we had increasing revenues. I guess we could have continued as before in terms of plantation and regeneration programs, and when we had completed the consultation process and developed the policy, we then could move to implementation, keeping in mind also that we are going to be receiving the directives of the timber management EA assessment and will be responsible for implementing those initiatives related to the environmental assessment panel's decisions, which will be complementary, we believe, to our sustainable forestry initiative.

The fact is that silviculture generally has been underfunded in this province since 1986, even in the good years when there were increasing revenues for government. We are now facing particularly difficult problems as a result of our revenue pressures, so we have faced a situation where we have been attempting to meet our obligations with regard to silviculture and regeneration specifically at a time when our revenues are down and we are committed to the consultation process to develop a comprehensive policy.

We are determined to continue to do that. We can't continue piecemeal, we can't continue the ad hoc ap-

proaches that previous governments and industry have carried out in terms of forest policy.

I think generally we have a buy-in from the public, various interest groups and the industry on the need to develop a sustainable approach, an ecosystem approach, to forest management, and we are committed to bringing that forward.

1700

In terms of the backlog itself in particular, I indicated in my earlier remarks that the audit on the boreal forest will be coming down in the very near future, in the next few weeks, with its report on regeneration in the cutover areas of the boreal forest in northern Ontario over the last 20 years. That report, hopefully, will give us some indication of what kinds of regeneration, on which kinds of sites, have been successful and which ones haven't.

We may find that on particular types of sites, natural regeneration has been successful or as successful as artificial regeneration. On other types of sites we may find that particular approaches to artificial regeneration are more beneficial. When we get that—and we get it very soon—and when we also have the benefit of the comprehensive forest policy panel's report, we will have a better idea of how we should approach proper forest management in the future.

I indicated in my remarks that we are determined to develop new partnerships, recognizing that we are moving into a new management regime and that we are facing very difficult fiscal pressures. We will be discussing with the industry and our partners new approaches and new ways of financing regeneration in the province. I'm looking forward to having considerable discussion over the next weeks and months with the industry to determine what approaches might be taken to improve the amounts of moneys available for regeneration of the various kinds we will be engaged in, and of course which types of regeneration would be most beneficial across northern Ontario in particular but across the whole province.

It was suggested by Mr Brown that we were spending a lot of money on information resources and policy, an increase of 23%, while our operations are down, and that we are putting more money into studies than into anything else, or at least at the expense of operations on the ground. I guess you could interpret it that way, but I think it's important for us to recognize that without proper information, the emphasis I placed in my opening remarks on an information and knowledge base, we are not going to be able to turn around the mismanagement of the resources we've faced over the last few years. When I say mismanagement, I'm not being critical of anyone in the ministry; they were simply operating in a system that placed a particular timber value perhaps above other values, and it also placed them in a particular situation with regard to regeneration, which I hope we will be able to turn around.

I think it's important, though, that we don't do this unilaterally, that we properly consult with the industry and environmental groups, with the tourist industry, with representatives of communities in northern Ontario and across the province. And this takes time; it has taken a little bit of time. I think it's quite remarkable, though, that we are

going to get the report of the audit, for instance, in the amount of time we set aside. It was an enormous task. It was also not a very long time for the comprehensive panel to continue its work and complete it for next year, particularly when you consider how long we've been at the timber management EA. I thought it was important we do that.

Mr Brown: Who chairs that?

Hon Mr Wildman: It's not chaired by Elie, if that's what you're suggesting. But I'm sure we'll get a report, knowing what a patient man Elie is.

The Chair: Just how patient is he, and how long will we have to wait for it?

Hon Mr Wildman: Regeneration has always been a problem in this province for the last 50 to 70 years, whether it was the responsibility of the industry or the ministry. We've tried various regimes: we've had the ministry responsible; we've had the industry responsible; we've gone to the FMA agreements Mr Carr referred to, where the industry was responsible for carrying out the project under certain criteria and funding was provided by the public.

But we've never had enough dollars, whether it was the industry that was responsible directly or the government or a shared responsibility; the balance has never been proper. I think the processes we're engaged in now will help us to achieve a better balance for the future and then to enter into agreements and discussions about how we can ensure that the approaches we will be taking will be properly funded.

For some years now, the backlog has been growing because we haven't been regenerating everything that was cut over. On the other hand, we don't have a good handle—and hopefully the audit will help us with this—on the actual state of the resource on the areas that have not been artificially regenerated and assessed, the so-called NSR, not satisfactorily regenerated. Hopefully, the boreal forest audit will give us a better idea of what resources there are in some of those sites and how this might benefit the industry and the communities dependent on the industry in the future.

There were comments made by both my colleagues about the nurseries. The fact is that the nurseries that are owned and operated by the government, the bareroot stock, were operating only at 75% capacity last year, and if we had continued then they would have been operating this year at 45% capacity. That's not efficient and it's certainly not cost-effective.

The fact is that the demand for bareroot stock has been declining for a number of reasons. It's harder to handle than container stock that is produced in the private nurseries, and as a result it costs more. It costs about \$100 more per 1,000 seedlings to use bareroot stock than container stock, so the demand has been declining, although there are some sites on which it's better to use bareroot stock. We are confident that with the six nurseries we now have, we are going to be able to meet the demand for bareroot stock, and that it is going to be a more efficient operation than we've had in the past.

There are job guarantees for permanent staff that were alluded to in the context of relocation which also apply in terms of the permanent nursery staff.

The question of the seedling contracts for private seedling nurseries and for tree-planting companies has been raised. It is certainly true that normally we would be able to let the contracts in September. This year, we have been delayed because we have been looking at our fiscal situation and trying to determine how we can best meet our obligations. We hope we will be able to have the decisions made and the contracts arrived at before the end of this calendar year. We know that has given some difficulty to the private nurseries, but over the next few weeks we will be discussing with them how we can give them an indication of what the needs are going to be for the future.

It's been pointed out that over the last number of years, approximately 165 million seedlings were planted each year. That's \$1 a seedling, which works out to about \$165 million, and this year we did not have that many dollars for planting. It was suggested though, I think, that we were planting approximately 33 million less trees, when in fact that's not the case. In fact, it was a little less than 500,000 fewer trees.

Through Operation Tree Plant we were able to plant, through the efforts of many different groups and individuals and land owners, 27 million trees in southern Ontario and approximately four million trees in northern Ontario. This is a tremendous success, and I think it's a tribute to the commitment of the people in Ontario to greening the province and to ensuring that we could plant those seedlings.

1710

The Trees Act: I don't think I'm going to be in any way confrontational in pointing out to my friend the member for Algoma-Manitoulin that the Trees Act proposals and the review and the committee set up to review them were set up by his government, not mine. We are simply responding to the requests of a number of municipalities in the province that asked for the review and we're responding to the committee recommendations.

As you know, it's a very old act, first passed in 1946. I say it's old; that's the same age I am. It means that counties in southern Ontario can in fact pass bylaws that will control the cutting of trees on private lands and there are many counties in southern Ontario that have had bylaws for some time.

There are a number of other areas of the province that because of the way the act is set up, are not able to do this. Metropolitan Toronto, for instance, cannot pass such bylaws because it isn't a county government, and in those parts of northern Ontario where we do not have counties, the municipalities cannot pass such bylaws if they so wish.

I should point out that on the advisory committee there was a representative of a small northern municipality—actually by coincidence, and it is just a coincidence, he's from my own constituency, Reeve Jim Slumskie of the township of St Joseph on St Joseph Island—on that committee that made a number of recommendations.

Two things have to be remembered. What we're talking about here is permissive legislation. It does not require a municipality to do anything. It simply gives a municipality

the ability to pass a bylaw if its ratepayers wish such a bylaw to be passed. The recommendations of the committee are for a number of changes: increases in fines, enabling the municipalities that now cannot avail themselves of this permissive legislation to do so, if they wish.

We went into a second consultation because we wanted to ensure that we got the views of the public and all of the interest groups on the recommendations of the committee. That was to be finished in June, but because of the tremendous interest I extended it to the end of September.

We are now in the process of analysing all the many, many views and expressions of opinion that we've received from across Ontario and that review, when it is completed, hopefully in the next month or so, will come forward with some recommendations to me. Then I will be determining what the government will do, if anything, and we'll be announcing that to the Legislature.

It's been a very widespread consultation and it's certainly not anything that either my predecessor, Mrs McLeod, or myself has tried to put over on anybody or sneak through. I'm not suggesting you said that, but that has been suggested by some of the people you quoted, for instance, the Northwestern Ontario Loggers Association.

The aerial spraying: The member for Algoma-Manitoulin indicated that he thought the cutback in spraying on budworm might be a problem in Muskoka. I suspect he meant gypsy moth in Muskoka. Gypsy moth is an exotic that has come into the province and has certainly caused a great deal of havoc in terms of defoliating trees, and it is a real problem, particularly in cottage country. It is not usually life-threatening to the tree, unless the tree is stressed in some other way, but it can be a real problem and aesthetically is certainly not very pleasant.

As I indicated in my remarks, in cutting the program we have made arrangements to allow municipalities to continue the program, and there are financial arrangements in terms of insurance and so on that we are involved with that will enable municipalities, if they wish to go ahead, to carry out the spraying program.

The budworm spraying in northern Ontario, particularly for jack pine and spruce, is an important issue, and we are hoping that the timber management EA will give us some further directions with regard to aerial spraying, among other things. But we don't believe a one-year cut in the spray program threatens the health of the forest.

There is a real question, though, on whether or not we should be doing aerial spraying, and if we should be, to what extent and on what kinds of sites we should be doing that kind of control, and whether or not we should be using chemical sprays.

I think there is a great deal of acceptance in terms of the use of Bt, which is an organic control agent, but that's why, as part of our sustainable forestry initiative, we are putting so much effort and resources into research, to look at how we can properly control pests and deal with the need for pesticides and herbicides that are not chemical-based but rather are organic, or whether we can use other agents. I mentioned the sheep program in terms of herbicides and dealing with unwanted vegetation, and we have VMAP, the vegetation management alternatives program,

which is a program that's part of our sustainable forestry for looking at new ways and alternatives to chemical sprays.

Mr Brown: It keeps the wolves happy.

Hon Mr Wildman: Actually, we haven't had a lot of predator problems in this whole approach. That is one of the issues, though, that we have to look at.

The endangered species program: It is true that we have a number of parks in the province that we haven't completed management plans for. We are working on those management plans and it is largely related to the amount of resources that we have available to complete them. I mentioned in my remarks that we have completed the Lake Superior Provincial Park management plan, and we made a significant move to end logging in that provincial park.

The fees for provincial parks were mentioned. There has been a lot of controversy and concern raised by seniors in the province in that previously they did not have to pay during the week, on weekdays, and they paid half the fee on the weekend. This year, as part of our initiative to ensure accessibility to the parks, we extended that half-fee schedule to people who are mobility-disabled, and at the same time extended the half-fee level throughout the week to seniors as a way of balancing off. While there has been some concern raised, we are recognizing the contribution of seniors to the province by maintaining a half-fee level.

The conservation authorities: We have had a lot of controversy between the provincial government, conservation authorities and the municipalities in the province over proper funding for the conservation authorities. As a result of the disagreements and the two reviews that were gone through by the previous government, which never went anywhere, we set up a liaison committee involving the municipalities of Ontario, the conservation authorities association and the ministry staff, including myself. I chaired it. We went through a lot of discussion and came to significant agreements on, among other things, a funding formula. It was, frankly, surprising we were able to reach a consensus, considering the difference of views among all those involved.

We have obviously had difficulty, though, meeting the funding levels, and there have been cutbacks. We have cut back on the CA budget in an amount equivalent to the overall cutback of the ministry itself. We've done that, but we also transferred funds from capital to operating, first on a one-year basis and then we extended that on an ongoing basis.

I'm being told I'm at time. I would look forward to discussing questions around the changes in the fishing licenses, the outdoors card, zebra mussels and Bill 162 during our discussion of the estimates.

1720

The Chair: Thank you very much, Minister. Now I'm very much in the committee's hands to entertain a brief discussion on how you wish to proceed with the remaining estimates.

Mr Gilles Bisson (Cochrane South): Maybe just proceed the same way we have been, just dividing the time equally among the parties.

The Chair: Is there consensus in that regard? Mr Brown is agreeable. Mr Carr? That's fine.

Mr Bisson: I just wanted to make sure I was on the list for questions.

The Chair: I have you on the list. That's fine.

Mr Brown: Mr Chair, just to be fair to the government members who are here, perhaps we'll just divide the remaining time today into equal sections. The committee's not around for another two weeks, I guess.

The Chair: A week and a half; we won't meet for a full week. Okay, that's fine. Mr Brown, please proceed for what amounts to about 13 minutes.

Mr Brown: I appreciate the minister's comments, but I guess we fundamentally disagree that you can't chew gum and walk at the same time, which is essentially what the minister's saying about regeneration, I believe, and doing studies.

Hon Mr Wildman: I thought you were talking about me.

Mr Brown: Actually, it's Gerry Ford, but let's not get carried away. Fundamentally, I think you can be regenerating the forest while you're looking for new and improved and better ways.

Hon Mr Wildman: If you have the money.

Mr Brown: I guess that's the question, if you have money. When there's a 13% real increase in government expenditures across the board, we're looking at a ministry with a decline. Particularly as a northerner, I see the same thing happening in the Ministry of Northern Development and Mines: It's down about \$58 million. We have some difficulty in the government's commitment to the industries that make the north operate when we have 18% unemployment.

The question I had that I don't think we got around to answering is the 326 additional employees the government is using under these estimates. We didn't quite understand.

Hon Mr Wildman: Do you want me to respond to that now?

Mr Brown: I guess that's what we're doing.

Hon Mr Wildman: I'd like George or one of the members of the staff to deal more specifically with that, but let's not get the impression here that we are not regenerating the forest. The fact is that we are regenerating the forest. My comments earlier, though, were to say that we aren't regenerating all cutover areas artificially. There may in fact be natural regeneration, and the boreal audit will help us with that on certain sites that will produce fibre that is useful and valuable for the industry and also produce forest growth that will provide for all the other values we think are important in terms of a forest policy. So we are regenerating the forests.

As I indicated to you, in terms of planting, which is just one very small part of regeneration—an important

part, but one part of it—last year we only cut back about half a million seedlings, despite significant pressure.

The question of tending is one that is significant and very important. Hopefully, the audit will help us in that regard, in terms of giving us indications of where we should be going with tending. I guess you'll recall that during the period of the accord between 1985 and 1987, one of the agreements that the Liberals made to the NDP was that we would indeed have an on-the-ground audit in 1985. To give the government credit, it did in fact contract with Dr Baskerville of the University of New Brunswick to do work for the ministry in that regard. The work he did was useful, but it wasn't an on-the-ground audit. In fact, what he did was he came in and looked at the record-keeping of the ministry and looked at a number of the figures, and came to the conclusion that the inventory was not being properly used, among other things. That information was useful, but what should have taken place in 1985, when we had lots of money, did not take place. We did not have an on-the-ground audit, and we're having it now.

Mr Brown: You've got just as much money today as you ever had. You've just borrowed it instead.

Hon Mr Wildman: Well, if the member is suggesting we should increase borrowing and have a higher deficit—

Mr Brown: No, I'm not suggesting that.

Hon Mr Wildman: —then I guess we could move in that regard. I don't think his friend Mr Carr would agree with that approach.

Mr Brown: No, and I'm not suggesting that, either.

Hon Mr Wildman: We could have done the audit seven years ago, and you didn't do it. You were overflowing with money—the government, I mean—in 1985. We were in a boom, there were more revenues than this province has ever seen, and we didn't do the audit. We should have done it.

We're damn sure that we're getting it done and it's going to be completed this month. We're going to have a report that will give us information that we could have acted on seven years ago, but we didn't because your government didn't do it.

The Chair: So there. That helps us a lot today.

Hon Mr Wildman: And we will be moving in this regard.

The Chair: Minister, if I might interrupt you, there are only 13 minutes allocated per group. We have a very short period of time. It would be helpful to Mr Brown—otherwise, I'm sure he will give you 80 or 90 questions in writing. If we could maybe tighten it up a little, it would be helpful to the committee and more questions could be dealt with.

Mr Brown: Thank you, Mr Chair.

Hon Mr Wildman: All right. I'm sorry, Mr Chair. I was carried away with my enthusiasm about the boreal forest audit, which will indeed give us the information we should have had before and will help us to properly manage the resources.

The specific question was in regard to 320 additional staff. I did talk about the conversions, and perhaps George could talk about the specifics.

Mr George Tough: Thank you, Minister. There is no perfect way to measure the size of our unclassified staff. It fluctuates, as you know, from month to month, and you can see from the charts that were provided in the estimates book that that is probably the best way to measure that.

If everything else had stayed the same—and Mr Carr talked about this as well—when we did the conversions of those unclassified staff to the classified ranks, it would have increased the classified ranks by something like 943 people and it would have reduced the unclassified staff by the same amount. That didn't happen, according to these charts, because we had other forces at work, including a fire season, including some other activities that were going on there—and they're noted in the document, such as the positive impact on the ministry staffing from the anti-recession program. So we have not added, as a permanent feature, to the complement of the ministry.

As the chart points out, we have added to the full-time classified staff by the conversion of those people who, I might just mention, were people who had 43 weeks a year employment with us. That was the cutoff point. I think we were quite quickly persuaded that this wasn't really seasonal employment and that they ought to be part of the classified staff. We got assistance from the centre to provide the additional salary and benefits associated with that, so that we did not increase the overall complement of the ministry by that action. I think that shows in the chart much better than it does in the table.

Hon Mr Wildman: I think, if we had the figures for this summer, that considering the very lucky situation we were in with regard to the fire season because of the wet summer we had, you'd see that the numbers would be somewhat less. We had a couple of major fires, but not very many.

Mr Brown: Perhaps a better way—I think I asked this question too—was what the year-to-year difference in payroll is.

1730

Mr Tough: There is a payroll number for the year in question in the estimates. John, have you got that?

Mr John Goodman: I can give you a summary, Mr Chairman, of year-to-year. In the 1991-92 printed estimates, this ministry had a payroll in the order of \$258.1 million. This year's printed estimates are \$288.1 million. There's a difference there of \$29.9 million. That's a result of a whole host of reasons, one being salary awards for the bargaining unit staff and money associated with the new initiatives that were provided under sustainable forestry and the other new initiatives. So in fact the actual salary and benefits has increased \$29.9 million year-to-year from the printed estimates.

Hon Mr Wildman: There were a number of grievances with regard to categories, which were settled, and that led to an increase in the salary part.

Mr Goodman: Exactly. There was an engineers' grievance, there was a conservation—

Hon Mr Wildman: Conservation authority salaries have gone up, what, about 90% since 1989?

Mr Goodman: Yes.

Mr Brown: Just so I can understand this—

Hon Mr Wildman: Conservation officers, I mean.

Mr Brown: The numbers you've quoted—we all know that in a fire season, if you have a particularly heavy fire season, the numbers sometimes become exaggerated—that was a favourite question of yours, Mr Wildman—when we compare budgets year-to-year because they never fully take into account a bad fire year. So you're saying on estimates it's up \$29.9 million, taking out what might be the aberration caused by a bad fire season.

Mr Goodman: That's right.

Mr Brown: Okay. I want to come back to the forest-tending issue. If we look at the chart—it is just about falling off the chart at the moment. So if we're talking natural regeneration and we're not out there doing that kind of ground and site preparation generally associated with doing that kind of thing, and if we're not tending the forests that are there, then the interesting thing about your comments about trees being planted—I can't quite recall your number. You can help me. How many trees were actually planted on crown land? You're talking about 30 million being planted on private lands, but on crown land, the actual reduction was what?

Hon Mr Wildman: We are what, about 135?

Mr Goodman: It was 165 total.

Hon Mr Wildman: Trees—I know, but on crown land?

Mr Goodman: Oh.

Hon Mr Wildman: No, on crown land I think it's about 139 or something.

I think the question of tending, though, is a very important one and I want to give one of my predecessors credit. Alan Pope, as Minister of Natural Resources, significantly increased the numbers of seedlings that were generated in seedling nurseries and also the numbers of seedlings planted each year. I think he would agree, and I think my colleague from the Conservative Party pointed out, that his leader, when he had a short sojourn as minister, indicated that there should be an increase in tending because we were planting a significantly larger number of seedlings but we weren't having a concomitant increase in tending. So while we were getting more seedlings into the ground, what was significant was how many trees would be growing in those sites five years, 10 years after the planting. Without proper tending, that was a problem. That still remains a problem and we must have a better commitment to tending.

The boreal forest audit may in fact tell us that in some areas we should be increasing site prep and tending; in other areas we should, perhaps, be doing less, depending on the various types of sites and the species involved, so we'll see.

Mr Brown: In the meantime, I'm looking at the chart. Compared to the 1987-88 we're at 20 million hectares below that—I'm getting a signal from the Chairman—and 50 million approximately below what it was in 1989-90. It is radical in the change.

Hon Mr Wildman: Yes, that's right.

Mr Brown: I guess we'll pursue this next time around.

The Chair: A brief response, if you wish, Minister, to that last question.

Hon Mr Wildman: No, I think I've already responded. I think I agree with my friend.

Mr Carr: I'll jump in with a question regarding my own area. It's regarding the Bronte Creek Provincial Park. I wanted to get some idea, and hopefully there will be somebody here who would be able to help us out with regard to an update on what's happening with Bronte in terms of the reasons behind it, where we're at, the discussions that have taken place and so on.

Hon Mr Wildman: Because of the fiscal pressures that the ministry was facing, the funding we had for parks and our commitment to partnerships, we tried to identify if there were any changes we could have in the parks program that would make it possible for us to continue operating parks across the province that might otherwise not be possible if we had a major cutback in the parks budget. We looked at Bronte, and Bronte, unlike many of the other parks that we operate in the province, is a very important recreational asset for the area where it's located, for the communities that you represent as well as, I guess, the Chair.

The Chair: I live a block and a half from it.

Hon Mr Wildman: The conservation authority had indicated some interest in taking over operation of Bronte. We decided that if we were able to make an arrangement with the conservation authority where it would take over the protection of the park and the park's values and the operation of the park, that would then free up enough resources for the ministry, in our parks budget, that would make it possible for us to continue operating many other parks that we might not have been able to at least keep green. We would have kept them green anyway.

What we did was enter into negotiations with the conservation authority, making clear that there were a number of base positions we were taking: that the park's values must be protected, that the asset must be protected and that there would have to be some security protections for the jobs of the people involved. We're currently involved in negotiations. I don't know if there's someone here who can bring me up to date on the exact situation we are in in terms of the negotiations. They have gone on a little longer than we thought they were going to take, because of our commitment to protecting the park's values.

Mr Carr: I don't know if they want to come forward. I don't see anybody.

Hon Mr Wildman: We can have that next time.

The Chair: Yes. Could we get a written update on that and/or could the individual attend for the next meeting for questioning?

Mr Carr: I guess what I could do is clarify it. First of all—I meant to say this in the beginning—having spent some time in estimates, I know that people are very proud of their ministry and have a great deal of detail in order, but the time is limited. Just by way of procedure, if I say thank you rather than interrupt you, it's because I've got what I want, without being too impolite, because I know we have staff who know a great deal—

The Chair: Thank you, Mr Carr.

Mr Carr: Politicians are excluded. The questions, specifically, are not only for Bronte. The questions I would have are, how much are we looking to save with Bronte and then across the province, and what's going to happen with the saving. On the answer you had with regard to the guarantees of staffing and keeping the parks intact and so on, could I get in hard copy what the criteria will be, the guidelines, and for how long and all the details? I think you have an idea of what we're looking at with that.

Hon Mr Wildman: We can get that for you. I just want to make one very brief comment, that our commitment is to maintaining and protecting those green spaces. Whatever final decisions might be taken, that remains our commitment.

Mr Carr: Okay, good. Thank you. I appreciate that very much.

With regard to the nursery closings, I'd like to get a little more specific. When you announced that four of the 10 would be closing, you talked a little bit about the capacity. Could you maybe explain to us how much will be saved and what will happen with that saving? I'm thinking now of what may happen with buildings and equipment. What are you anticipating the saving will be, and what's going to be done with that money? Does it get plowed back into the ministry, into your general revenue, or the province's? What's going to happen with some of the saving that was a result of it?

1740

Hon Mr Wildman: Perhaps Ray Riley, as assistant deputy minister, would be able to make some comments. Just before he begins, though, I want to indicate that one of the criteria that we used for determining which of the nurseries might be closed was, first off, were they located in a community where there were not very many alternatives in employment? We kept those ones open. Also, were they located in communities where there might be other agencies that might be able to make use of those facilities, maintain the green space that might be associated with the nurseries and use the lab facilities or the greenhouse facilities for other things? Thunder Bay is an example of that, as one of the reasons we made that decision.

Perhaps, Ray, you could talk to the question of how much we would be saving and how that money might be used and how the facilities might be used in the future.

Mr Ray Riley: If my memory serves me correctly, the figure was about \$4.5 million in total that we were looking

at saving as a result of that closure, through the efficiencies of growing that stock more intensively in the remaining six nurseries. That money would have gone into other forestry initiatives in one format or another, but you can never trace those dollars through the system. What it gives you is some flexibility down the piece. Where did it go? I can't tell you, because there's money moving through the system all the time.

In the context of the buildings, in the context of the land base, we will be sitting on those facilities—I'm thinking now of the two facilities up in Chapleau and Gogama—for a period of time to see indeed what opportunities we may have to either turn them into other opportunities for the ministry or, conversely, turn them over to the communities; or there may well be development that may be looking at moving ahead in those communities, and if we can help in that context, good.

The Thunder Bay nursery is one of the largest ones we have. It has a lot of green space. Some of that will certainly go over to the conservation authority. Some of the other space will sit there until we get a plan put together that looks at opportunities and options around the focus, but we're at least a year away from pulling up stakes.

Some of the buildings will continue to be used by the ministry, particularly the cold storage facilities—we will move stock through there—and our northern Ontario technology development unit works out of that facility as well.

Hon Mr Wildman: Also, there may be some opportunities with regard to the university in Thunder Bay using—

Mr Riley: That's right.

Mr Carr: So what portion of that \$4.5 million, if I get it right, would be involved in salaries?

Mr Riley: We had about 50 staff on full-time in the four of them. The rest would have been summer staff who would come in anywhere from six months to two weeks, depending on circumstances. A lot of that would have been—I'm going to guess now.

Mr Carr: I'd like a percentage.

Mr Riley: Let's say 50%.

Hon Mr Wildman: There are job guarantees for those permanent staff, and that was one of the factors in determining which ones we closed. For instance, Thunder Bay and Midhurst, which will be closing next year, are located close to other MNR facilities. Those permanent staff then will be able to be transferred, with a job guarantee, within a 40-kilometre radius to other MNR operations.

Mr Carr: That \$4.5 million is real? That's what the saving is? In other words, you don't say we saved that and then transfer it to another area. The saving was \$4.5 million.

Mr Riley: That does not include the salaries of the permanent staff who would have been involved in those nurseries. That would involve though the temporary staff that would come on.

Mr Carr: Which is about 180. With regard to the displaced employees in the relocation, where did they all go? The 50 employees, where did they end up?

Hon Mr Wildman: They will be deployed in other ministry operations where they can be fitted in.

Mr Carr: So nobody of the permanent lost their—

Hon Mr Wildman: No, no permanent loss. Also, we made a commitment to the temporary or the non-classified employees that we would attempt to get involved with the Ministry of Labour on job training or alternative types of adjustment programs.

Mr Carr: What you seem to be saying, Minister, is that it was driven more by a jobs consideration; in other words, you looked at the communities based on the jobs. That would seem to be strange.

Hon Mr Wildman: No, sorry. I don't want to give you the wrong impression. The first decision was made on the basis of efficiency of the remaining nurseries and the demand for bareroot stock. That was the decision on whether or not we would close nurseries. Then, when we made a decision that we didn't want to be operating at 45%, that we would hope to increase it to 75%—not maintain but increase; I think I misspoke myself earlier—then we had to decide where. When we looked at where we would, it was on the basis of the operation of the nursery itself; also, whether there were opportunities within a 40-kilometre radius for those permanent employees to find other employment in the ministry or in the government; and also the effect on the communities. In some of the communities, for instance Orono, as an example, that's really the only major employer for people, and we decided we wanted to protect the economic base it provides for that very small community.

Mr Carr: This is more for the minister, I guess, because it was a political consideration. When that decision was made, were you, as the minister, given a mandate in terms of percentages, the amount? I'm thinking now in terms of the treasury and the amount you were told. How did this come about? In other words, did they say to you, "We need \$4 million"—

Hon Mr Wildman: No. That was something you said in your first remarks, which is completely invalid. These decisions were made by me. They weren't made by staff. They weren't made in the Premier's office. They were made by me. The decisions on the allocation of funds and how we allocate the budget are made by me. They are not made by anyone else.

Mr Carr: In other words, you decided that we can reduce it by X amount in the decision, and it didn't come from the treasury.

Hon Mr Wildman: No. The overall allocation for the total operation of the ministry, of course, is determined through discussions with treasury board and at cabinet, but within that budget then those decisions are made by me on the advice of ministry staff.

The Chair: That begs the question the Chair normally asks: Are there any supplementary expenditures or supplementary estimates that were not tabled with the original, or are there any adjustments, any special requisitions or government initiatives that weren't envisaged at the time of the estimates?

Hon Mr Wildman: No.

The Chair: So what we have in front of us is all we have in front of us.

Hon Mr Wildman: Yes, that's right. We did mention Jobs Ontario in here. That was in addition to our base budget, but that's mentioned in here.

Mr Brown: Could I have a clarification on that? That's in addition? That's not included in the total numbers you have before us?

Hon Mr Wildman: John Goodman, the assistant deputy minister can speak to that.

Interjection.

The Chair: Listen, Mr Bisson, since you interrupted me and I recognized you for a second time, the least I can do is clarify an important issue that has to deal with the funding. I hope I didn't interrupt your accounting. Please proceed.

Mr Goodman: The Jobs Ontario funding that was provided in here is not in the estimates that have been tabled. That included \$15.7 million that the Ministry of Natural Resources received from that initiative that was put towards the jobs funding. That's not in the estimate figure.

The Chair: Can we a detailed description of that? I know the minister covered it, but it's customary for the committee to ask for that in a form which sets out where the expenditures are, how much will actually be approved and expended within this fiscal year, which is separate from that which has been assigned. That would be very much appreciated.

Hon Mr Wildman: Sure, we can give that to you.

Mr Brown: Mr Chair, on the same point—

The Chair: Well, I was stretching it slightly. You're not satisfied with all you're getting or—

Mr Brown: No. I'm just wondering, what was the program last year, Bud?

Hon Mr Wildman: The \$700-million—

Mr Brown: Yes, anti-recession. I'm just trying to compare apples to apples. Was that number expressed in the budgets of the ministry last year, what moneys the ministry got?

Hon Mr Wildman: No, it was in addition as well.

Interjection: We can give you a written response.

Mr Wildman: We can give that to you.

The Chair: Since this estimate was done a year ago, as I recall—

Hon Mr Wildman: No, it wasn't. Two years ago.

The Chair: Okay. I apologize. I have been routinely asking ministries that question with respect to the anti-inflation package, so that would be helpful. Mr Brown, thank you. The staff will get to the information to the clerk for us.

1750

Mr Bisson: I've just finished balancing all your estimates. They do balance, I can assure you.

Hon Mr Wildman: Thank you. We could have used you yesterday.

Mr Bisson: There are a number of things I'd like to ask, because if there is one ministry for a northern member that touches our constituents more, it's got to be Natural Resources. I think all of us recognize the other ministries and the roles they play around our daily lives, health care and other things, but probably the one thing we get in our constituency offices the most, other than workers' compensation, is the Ministry of Natural Resources.

I'd just like to start off by saying one thing; Mr Brown touched on it a while ago. I have nothing bad to say about ministry staff with whom I've dealt in my riding. They're exemplary, very good in the way they do things, very co-operative. In situations where we've had constituents come in and see us because they didn't get their moose tag, whatever it might be, any time we've followed up the ministry has always done a very good job. So don't take anything I say as a slight towards them, because we have a very good working relationship, probably one of the better ones.

Hon Mr Wildman: I'll take everything you say as a slight towards me.

Mr Bisson: With all of that, I'm going to take the shortest issues to deal with, because we haven't got the time.

The first one I'd like to ask you a couple of questions about is the question of hunting and fishing licences and the ID card. You will probably be aware that the ID card issue actually came out of my office about a year and a half ago. At the request of some people within our riding who issue cards, in order to go to a similar system they have in the province of Quebec, the suggestion we made at the time was that when we go to the card, it would be a one-time issuing licence. In other words, you pay your \$6, and if you lose your card and you've got to come back two years or six years later, you issue again. From what I understand, it's \$6 every three years.

Hon Mr Wildman: Yes, that's right, but I do want to say that your suggestions were part of the move, but the Ontario Federation of Anglers and Hunters has been campaigning for this for some time.

Mr Bisson: I'm saying that for a reason. One of the things that's come back since then is that a lot of constituents have come in and said, "We don't mind paying the \$6, but to pay it every three years, it looks basically as if we're having to pay for something we've already got." What's the idea behind the reissuance every three years? That's what I'm asking.

Hon Mr Wildman: I guess it's simply to keep track of the number of hunters and anglers. We're sending out how many, 1.5 million now? I think John Goodman wants to add something here. The initial cost of \$6 million we expect will bring in about \$5 million, and it will cover the cost. At some future date, we hope to move to a computerized system which will be more efficient and will save the ministry money and make it easier for the issuers to issue licences, but at this point we aren't going to be completing that because it has additional costs involved.

Mr Goodman: The card is not reissuable every three years. The card will serve you for the length of your—

Mr Bisson: Oh.

Hon Mr Wildman: Sorry. Did I misunderstand you? What is reissued every three years is a fishing licence. We're bringing in a possible three-year fishing licence.

Mr Goodman: When you buy a three-year fishing licence, the card comes free.

Hon Mr Wildman: Yes, we're going to offer the card for nothing if you buy a three-year fishing licence.

Mr Bisson: Just for clarification, what I've been told by people coming into the constituency office, and I've followed up with MNR staff locally in Timmins—they're saying that the plastic ID card you get, you purchase for the price of \$6, and after that every three years you've got to go pay another \$6 to get—

Hon Mr Wildman: No, no. What they're confusing and what I confused when you raised this is that one of the of the changes we're proposing with the fishing licence is that you can buy a three-year licence, and if you do that, then you get the card for nothing.

Mr Bisson: So the card is as long as I keep it.

Mr Goodman: Yes, or until we can change the technology, as it is currently galloping along, to a real smart card. What you're going to get the first time round is a mag card with all the grandfathered data on it that will go with you. In the future, we'd like to use the smart card technology that would allow our conservation officers in the field to be able to use it and understand all the information that's required to deal with compliance.

Mr Bisson: It would be on a magnetic strip type of thing?

Hon Mr Wildman: They'd be able to run it through and find out if you had any charges outstanding, what your record was—

Mr Goodman: What licences you hold.

Hon Mr Wildman: —whether you'd purchased your licences, whether you'd paid the fees.

Mr Bisson: That's good; you fixed my problem. So it's safe to say that if I keep that card for six years or five years or two years, I pay every time I lose it and go back and get another one. Okay, the other—

Interjection.

The Chair: This is very difficult for Hansard. It's very informative, but it's very difficult on Hansard. Even if you'd just pause when you interrupt, it would be a help to Hansard.

Mr Bisson: I'm glad to see I've given such confusion here. If we're confused here, you should imagine the constituents.

Okay, next question. The other thing is on the conservation licence. One of the things that's been put forward is the idea of getting a conservation licence for a fisherman like me who doesn't keep his fish—catch and release, basically—at half the cost.

Hon Mr Wildman: Not taking your limit.

Mr Bisson: That's right. What kind of response has the ministry had to that? We haven't had a heck of a lot within the riding, and I'm just wondering what kind of response it may have gotten.

Hon Mr Wildman: Generally it has been favourable. It obviously will remain to be seen how successful it will be, because it's largely going to be on an honour basis. Obviously, if a conservation officer happens to come upon a person and ask for the licence and sees that he has a conservation licence but is in fact carrying his full limit, then he'll be able to charge him. We're dependent that the responsible approach be taken by the anglers.

Mr Bisson: What I'm really interested in, Mr Minister, is the kind of response we've had with people applying for the conservation licence versus the regular licence. I'm just curious.

Hon Mr Wildman: We don't have it.

Mr Bisson: We don't have those data yet. Is there any time left, Mr Chair, or are we getting pretty well to the end here?

The Chair: About three minutes left on the clock.

Mr Bisson: I won't deal with the moose licence stuff. I do have some suggestions I'd like to put forward, because I realize the difficulty that's been and the work that's been done.

Interjection.

Mr Bisson: The PA has told me we've got it fixed. My licence guy is leaving. Listen, I'm just going to stop on this. There are only three minutes. There are some other issues I want to raise, but they're somewhat complex and I won't have a chance to finish.

Hon Mr Wildman: Perhaps you could put them and we could bring the answers for you the next time.

Mr Bisson: No, I'm going to ask you right upfront. We don't have time right now. I'll do it in the next estimates.

I just want to mention one thing, though, that I caught in the paper a while back. Apparently the Ministry of Natural Resources was contracted to Zimbabwe, I think it was, to put together a management—I don't know exactly what it was. Apparently the government of Zimbabwe was out looking not only in Canada but in other places to find somebody who can bring the expertise to their particular nation to help them along. Can you tell me a little about that? I've had a couple of questions about it.

Hon Mr Wildman: It's through CIDA, the Canadian International Development Agency, the federal government, to assist in information resource data development with Zimbabwe. It's a very exciting project that we are able to help the African country with. We could bring details for you for the next committee. It doesn't cost us anything; it's paid through the federal government through CIDA.

Mr Bisson: I'm just more curious about how Ontario was chosen. They weren't very explicit in that.

Hon Mr Wildman: They chose us because we were seen around the world as a leader in resource management data.

Mr Bisson: So they came to Ontario. It wasn't a competition thing.

Hon Mr Wildman: I guess they applied through the federal government for assistance, and the federal government looked around and concluded that Ontario was the leading agency, and asked if Ontario would be prepared to become involved.

Mr Bisson: Very good. I see we're at 6 o'clock. I won't have time at this point.

The Chair: Are there any other requests for the ministry staff? Seeing none, this committee stands adjourned until Tuesday, November 17, at which time we will continue with the estimates of the Ministry of Natural Resources. This committee stands adjourned.

The committee adjourned at 1800.

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estimates**

Ministry of Natural Resources

Assemblée législative de l'Ontario

Deuxième session, 35^e législature

Journal des débats (Hansard)

Mardi 17 novembre 1992

**Comité permanent des budgets
des dépenses**

Ministère des Richesses naturelles



Chair: Cameron Jackson
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Président : Cameron Jackson
Greffier : Todd Decker

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Tuesday 17 November 1992

The committee met at 1542 in committee room 2.

MINISTRY OF NATURAL RESOURCES

The Chair (Mr Cam Jackson): I'd like to call to order the standing committee on estimates to reconvene the estimates of the Ministry of Natural Resources. We have three hours and 40 minutes remaining. When we last left off, I believe the NDP was completing a series of questions. So, may I ask, Mr Minister, do you have any responses to some of the questions previously tabled?

Hon Bud Wildman (Minister of Natural Resources): Yes, Mr Chair.

The Chair: The clerk will be more than pleased to hand those out.

Hon Mr Wildman: We have a number of responses to questions of various committee members that were raised in the last debate on the estimates, and I'd be happy to table them. If the clerk is distributing them, if other members have questions on these items or other issues they'd like clarification on—I could go through them all but I think it's probably as useful just to table them, if that's according to your wishes.

Also, we are distributing a copy of a letter that I think all members of the House have received with regard to Bill 162. There were some questions about the amendment to the Game and Fish Act in the last estimates and the letter has been distributed, coincidentally, to all members of the House from myself, encouraging members to impress upon their various House leaders the importance of proceeding with Bill 162, as I think all members of the House would like to see this moved forward.

I'd be interested in finding out from my friends in the opposition what their views are, whether they'd like to proceed to second reading on Bill 162. Then perhaps we could move from there to a committee that might hold hearings on the various issues that have been raised by various groups across the province on some aspects of the bill. But I'd like to hear their views on it.

The Chair: It would be refreshing and worthwhile to take these matters out of the House leaders' hands, even for a brief few moments.

I read with interest one of the paragraphs that talked about birds of prey. I thought it was a paragraph about question period. Anyway, we appreciate receiving the response from the staff. I understand they've worked very hard to assemble these responses, and the critics and all members of the committee will have an opportunity to peruse them during the course of the remaining time for estimates. So, if there's agreement, I would—

Hon Mr Wildman: Excuse me, Mr Chair. Just on one matter, I would like to clarify and highlight the issue with regard to the outdoors card.

The Chair: Who asked you the question?

Hon Mr Wildman: That was M. Bisson.

The Chair: Fine. When it comes around in the sequence, I'm sure Mr Bisson, by his attendance, will appreciate very much hearing your response. Mr Brown, please proceed.

Mr Michael A. Brown (Algoma-Manitoulin): Thank you, Mr Jackson. Just in regard to what the minister was speaking about with regard to Bill 162, our position is that we would be happy to see it move forward at the earliest possible date. As I said in my opening remarks, our only proviso is we want an assurance of public hearings on the various issues.

Hon Mr Wildman: It's a complex bill and we would certainly be in favour of having various aspects of it debated before the committee. So it would be helpful, I think, if we were to move in that regard.

Mr Brown: Who needs House leaders, Mr Chair?

Hon Mr Wildman: Well, maybe we should all be encouraging our House leaders in that regard. I will certainly be doing so.

The Chair: Minister, if I could encourage you to go through the Chair, I wouldn't want Hansard to miss any of your kind gesture at the moment.

Mr Brown: Mr Chair, could I just inquire as to how we are proceeding this afternoon and dividing the time?

The Chair: We were just going to allocate 20- or 25-minute blocks. When you were comfortable with a break you'd let the Chair know, and we'll be responsible for making sure the time is divided equally.

Mr Brown: Fine, thank you. Boy, we're obliging today.

I guess the first question that I wish to pursue is the issue of forestry, the issue of reforestation, the issue of planting on crown lands. You've indicated that there's about a drop of 30 million in the number of trees being planted on crown land and also that the tending has dropped dramatically on crown land.

We are of the opinion that this is exactly the wrong direction to be proceeding in at this particular time. Not only do Ontario's forests need those trees; also, people in northern Ontario, where most of the trees are planted, need the jobs. It seems to us that you are creating a larger backlog in the amount of land that needs forest regeneration. You're creating an environmental deficit, and at the same time an economic deficit, for the people in northern Ontario.

In view of the fact that the ministry has cut back operations—I think your figures show by about 6%, the operating budget, which is where this money would come from—and in view of the fact that the employees of the ministry, in total, received about an 11% increase in salary and benefits this year, we're questioning the priorities.

Perhaps the minister could explain to us the reason that we are moving away from the reforestation of Ontario's crown forests at a time when it seems to me it would be wise for the crown to be increasing the activity.

Hon Mr Wildman: If I could, Mr Chair, I think Mr Brown has raised a very important point. I would just point out a couple of things, though. I indicated the arboreal audit is going to be published very soon, so we'll have another update, and this will be the first report of an on-the-ground audit and will give us some idea of where we're at with the reforestation and silviculture in northern Ontario.

1550

But I would just point out that at least since the Kennedy report in 1947-48, whether industry or government has had the first-line responsibility for regeneration, we have in fact had, I guess, what my friend refers to as an environmental deficit with every government. I take his view very seriously. We've moved from the industry being responsible to the government, back to the industry and so on, and now we have the FMA programs.

With the initiation of the FMA programs there was an increase in the expenditures with regard to seedlings. We did not see a concomitant increase in expenditures with regard to tending. While there was some increase in expenditures during the boom years in the mid-1980s, we did not see an appropriate amount that would have met the need even at that time. And of course we face an even more difficult situation than the previous government in that we are facing the need to respond at a time when the government revenues are down substantially and we're seeing serious cuts.

So my friend is correct. I just lament the fact that we were not able in the boom years, when there were all kinds of revenues coming in in the mid-1980s, to meet the obligations we should have. The fact is that this year we will be expending approximately \$212 to \$213 million on forest management programs. Of this total, about \$110 million is for silviculture; about \$57 million is for crown and private lands, both, and \$53 million is for the FMAs. The balance of the \$213 million is allocated in the following way: We have \$19 million for sustainable forestry and research, planning for inventory, and for monitoring the performance in the forestry is the balance.

I would certainly agree with my friend that we should have increased expenditures, particularly in the areas related to alternative forms of forest management and sustainable forestry, tending and ensuring that the areas that are naturally regenerating are regenerating well and that those areas that are artificially regenerated, whether through planting or aerial seeding, whatever, are tended properly. But we do face a very serious economic situation. I listened to the debate in the House today, as I have from days on-going, and heard the demands on the opposition side that we ensure we do not increase the deficit. I think all of us recognize that all ministries, including MNR, have to respond to that.

Mr Brown: Well, Minister, I couldn't agree more that we need to respond to the fiscal situation in the province.

What I'm saying here is that it seems strange to us on this side that forestry is the area that seems to be taking the greatest amount of cuts in the ministry.

Hon Mr Wildman: I think you have to recognize that about a third of our budget is for forestry. It is the single largest portion of the MNR budget, as you'd expect it would be. If you actually have to find savings in the Ministry of Natural Resources, it is very difficult not to affect the forestry program.

Having said that, I would like the deputy minister to respond, if that's acceptable, Mr Chair, to the question with regard to what Mr Brown has referred to as an 11% increase in expenditures in regard to salaries in the ministry.

Mr George Tough: There was an increase in the amount dedicated to salary changes. About 4% of the total 11% was for salary awards through the bargaining unit and other changes. The other changes, that is, 7% of the 11%, were for other factors. We can provide further detail on that, but by no means all or even the majority of it was for salary awards.

We had changes in our programs. We converted, as you remember, about 950 people and there was an additional amount provided to us by the central agencies to fund that effort. That goes into our salary expenditure. It was not expected we fund that internally. So that's there and we can provide further details, but a very small proportion of the total increase was for salary awards.

Hon Mr Wildman: If I could add, Mr Chair, I think we have to look very carefully at the revenues we have that relate specifically to forestry in the provincial government. The revenue is approximately \$73 million compared to our expenditure with regard to forest management of about \$213 million. Of the \$73 million, \$58 million comes from stumpage fees, about \$10 million from charges under the crown timber licences, including the forest management agreements, and then there are miscellaneous charges and revenues that contribute to the rest of the \$73 million.

If my friend believes we are not spending enough, and I would agree with him on that, I wonder if he would agree that we should be increasing stumpage at a time when the industry is experiencing serious difficulty. I'd be prepared to pursue that if he thinks we should.

The Chair: As a discussion.

Mr Brown: That's an interesting comment, but in terms of the forest which we are, I think, primarily concerned about, the forest is the one that's carrying the deficit here. If the minister, as he seems to have suggested, might increase royalties, decreasing the amount spent is essentially the same thing, whether you increase price or reduce services provided, and it ends up that the forest is one that loses here. That's my concern.

As far as the 11% goes, the deputy has indicated that this was funded from outside sources and yet your total budget is down 1%. I have difficulty understanding that comment.

Hon Mr Wildman: We attempted to explain that last time. We can go over it again, if you wish.

Mr Brown: All I'm saying, Mr Minister, is that the budget is down 1%. If it came from outside sources, that

may very well be, but your budget would then be down even farther than 1%.

Hon Mr Wildman: Our budget is down, as I said last time, closer to the neighbourhood of 10% if you don't count the outside sources the deputy was referring to. That's true of about 14 ministries across government, including MNR, in order to meet the obligations we have to try to control the deficit.

Mr Brown: I would then come back to the issue of what the minister intends to do in this coming fiscal year. We have the tree seedling growers whom I have met with on a number of occasions, most recently, I believe, in Thunder Bay. They are very concerned. They're an industry that has grown, and rather rapidly, in the period from about 1985 through 1990, but perhaps before that. They are very concerned about their ongoing operations. Could the minister assure me that the contracts will be let in the immediate future?

Hon Mr Wildman: We recognize that decisions with regard to the coming year have to be made soon so the nursery producers, seedling producers and contractors have some idea of what's coming and can make their plans accordingly. We will be entering into discussions with all areas of the industry in the next few weeks to make clear what options are open to all of us in order to meet our obligations and to properly manage the forests in the future. I think it's important for us to recognize that whatever decisions are made with regard to seedlings, we're talking about trees that will be planted two years hence, not in the coming year.

1600

Mr Brown: Yes. Nevertheless, will Operation Tree Plant continue this year?

Hon Mr Wildman: We haven't made decisions in that regard at this point. It was not intended to be an ongoing operation but it was a very successful one, and it certainly was a tribute to the commitment to greening the province on the part of the general public and the municipalities and volunteer organizations that we were able to in fact plant essentially the same number of seedlings as we had planted the previous year when we had budgeted something like \$30 million less.

Mr Brown: In the event that this program does not go forward, then it seems to me that we would be contracting, between the crown nurseries and the private nurseries, about 30 million less trees than the year before.

Hon Mr Wildman: We haven't made those final decisions. We will be pursuing every option available to us to maximize not just seedling production but our silviculture program, both carried out by the private sector and by the ministry, through whatever new approaches and innovative approaches can be arrived at. We will be having those discussions with our partners over the next few weeks.

Mr Brown: I'm concerned about the minister's comments at the last meeting that seemed to indicate there would not be any herbicide spraying in the coming year. Is that correct?

Hon Mr Wildman: Well, no, I didn't say for the coming year; I was talking about the previous year in our operations. We will have to review the effects and how it relates to sustainable forestry and the need to have proper vegetation management. What I said in my remarks last time was that the decision to control the spray program or to cut the spray program would not harm forests over a one-year period.

Mr Brown: We've had some people at least contact me—

Hon Mr Wildman: I just want to clarify this: We're dealing with—sorry.

The Chair: Minister, please.

Hon Mr Wildman: Well, I think the member is using the word "herbicide" when he means "pesticide."

Mr Brown: No, I'm not. I'm talking about the control of vegetation in the forests, so I think the term was correct.

Hon Mr Wildman: All right.

Mr Brown: So you have made no decisions about vegetation control, whether it's spraying or otherwise, for the coming year.

Hon Mr Wildman: We haven't made a decision to discontinue herbicide spraying.

Mr Brown: So this is not an "environmental" issue but rather an economic issue?

Hon Mr Wildman: Well, it's both.

Mr Brown: Okay. Would private contractors or companies be permitted to do this on their own?

Hon Mr Wildman: As you know, the timber management plans are arrived at through discussion and negotiation, the decisions on crown management units are made directly by our foresters and technicians and the forest management agreement holders develop their work plans in conjunction with the ministry. That's how the decisions are arrived at.

I don't think it's fair to say that there will be unilateral decision-making. It is our responsibility as a ministry to ensure that we monitor and make certain that the forests are managed in an environmentally sustainable manner and in a way that will provide for the sustainability of the industry.

Mr Brown: The question I'm trying to get at is, is this an environmental issue or an economic one?

Hon Mr Wildman: I said it's both.

Mr Brown: I know you said it's both, but if you are going to permit private people to do it, if they so choose, then it seems to me it's a straight economic issue, it's not an environmental issue, if you follow my line of thinking.

Hon Mr Wildman: I follow your line of thinking; I just think your premise is incorrect.

Mr Brown: Being?

Hon Mr Wildman: I didn't say that we would allow anyone to do what he chooses, which is what you're suggesting I've been saying.

Mr Brown: I'm not saying absolutely as they choose, but in regard to ministry guidelines.

Hon Mr Wildman: Yes, of course in regard to ministry guidelines, and the ministry guidelines will be developed in regard to the financial situation and environmental considerations—both.

Mr Brown: You indicated when we were discussing these issues the other day that when we are talking about gypsy moth control, which is a different issue—

Hon Mr Wildman: Pesticide.

Mr Brown: —yes, that municipalities and others—I guess municipalities; I don't know who else is involved—would be involved to do this on their own and fund it?

Hon Mr Wildman: Yes. Last year we entered into agreements with municipalities where we would enable them to carry out the program, if they so chose to do, and made provision for coverage of, I guess, insurance and liability. If you'd like the details of how that worked and how many counties or municipalities were involved, the staff can give you that information.

Mr Brown: No, I don't think that's necessary. Some of it is in the actual estimates. But again that would not be an environmental issue; it's an economic issue.

Hon Mr Wildman: That decision for the ministry I think is both again. Obviously, we had a fiscal problem, but we had to look at the decision on gypsy moth spraying as to what its benefits were with regard to the environment. Keep in mind that the gypsy moth in most cases does not threaten the health of the forest in the sense that it kills trees. In most cases, a gypsy moth is largely an aesthetic problem. It defoliates the trees and makes them look very ugly, particularly for people who are in cottage country. But unless the tree is under significant stress for other reasons, the gypsy moth by itself does not usually kill the tree.

We made the decision for fiscal reasons, but it was also because of the environmental issues we felt that continuing to spend money on gypsy moth spraying when we were having difficulty funding other very important aspects of the forestry program did not make sense on an environmental basis. So it's both. But we also facilitated those communities that wanted to continue the program for aesthetic reasons to be able to do so.

Mr Brown: I still don't think I quite understand that. If it's an environmental issue and you don't think it should be sprayed, it doesn't matter who pays for it. It's a straight economic issue, in my view. That's what you're saying.

Hon Mr Wildman: Essentially what I said is that environmentally we could not justify continuing the spray program in regard to our sustainable forestry initiative when there were moneys we could be spending on other parts of the sustainable forestry program. We couldn't justify it either fiscally or environmentally.

Mr Brown: I would take from that then it shouldn't be done, but we'll move on.

Hon Mr Wildman: We don't think it needs to be done for environmental reasons. It's not that it shouldn't be done. We don't think it needs to be done for the health of the forests. For aesthetic reasons, to try to prevent defoliation,

however, you could make very good arguments for saying it should be done.

1610

Mr Brown: To speak of the other spraying program which would be in regard to budworm, whether it's jack pine or whatever, one of the things that you seem to believe—or the ministry seems to believe, I guess, not you personally but your research staff—is that there isn't a significant problem.

I've had some contact with the forest industry over the last couple of days and it indicates that you are probably correct, but it has great concern in specific areas—and this is in northern Ontario—that if an infestation does break out, there will not be the kinds of controls we need. As you know and I think your people would verify, these infestations tend to spread very, very quickly and are in some ways not terribly predictable. Can we be assured that if spraying is needed to control certain areas it will be done, as if it were firefighting, which is really the same issue as preserving our forest?

Hon Mr Wildman: If I can respond, I'll defer to members of staff on the scientific arguments. I'm not sure that it's completely unpredictable. Perhaps it is more unpredictable in jack pine than in spruce, but I think that our scientists, with the experience that they've had over the years and the cycles that they've seen, can indeed predict. Of course there are certain sites where you might have a situation that you didn't expect, and we have to respond to that.

I would say generally, though, in terms of spraying, whether it's pesticides or herbicides, I will be quite clear in saying that I indeed have a bias. My bias is not to use chemicals if we can avoid it, but there are alternatives. There are organic controls, the use of Bt. I guess it was the Conservative government, the current leader of the third party when he was minister for a short time, who made a decision that chemicals would not be used, that Bt would be used in this province. That was continued by the Liberal government and we support that.

There also is a great deal of research going on as part of our sustainable forestry initiative on looking at other alternatives for controlling both vegetation and pests, and there's no question there needs to be more research. But I think it's generally conceded by scientists in the field, whether they be federal or from other provinces or from the United States, that the initiatives we've put forward and have initiated as a result of our sustainable forestry have put Ontario in the lead in North America in this research. As a result of that, we are attracting very well-known and very highly qualified scientists from the United States to our staff.

Mr Allan K. McLean (Simcoe East): It's nice to be here today and to be part of the estimates of the Ministry of Natural Resources.

As our party's spokesperson, I'm very pleased to say to the minister that the staff has been very cooperative and I think the Ministry of Natural Resources has an excellent field staff and overall staff. I want to thank them for the cooperation that I have received from them.

A handout was given out today with some of the questions in regard to the discussion that's in Hansard. I haven't had time to review it, but what I'd like to do is to ask several questions on the record. I believe tomorrow we'll be meeting for a short period of time and perhaps the staff could have some answers for me at that time.

Regarding the question that you mentioned earlier on, Mr Minister, with regard to Bill 162, there are a couple of areas there that I would just relate to in my remarks, but I think that second reading and a week or so in committee—there are only a couple of areas that I think are of any major concern—and I'd be pleased to proceed with that bill.

First, I want to talk about—and maybe I'll do it now—a couple of letters I have. They're an overview of what some of the people are asking and writing about.

I have a letter written to you on October 19, and it says:

"Would you please reconsider the decision cutting by over half the \$11,000-per-man annual allowance to conservation officers, thereby getting them back in the fields and forests.

"During the '70s and early '80s, thousands of Ontario hunters bought deer licences which the decimated herd numbers just couldn't fulfil. For the past several years the herd numbers have rebounded but many citizens fear they will be adversely affected by the lack of COs in the field at the present time due to the rampant poaching.

"It just doesn't seem realistic to pay COs \$50,000 per year to sit in offices doing work that \$20,000-a-year secretaries could be doing. The day I called the local office an aggregates officer was answering the phone.

"I realize your government faces financial pressures but believe the \$1.5-million saving here is seriously putting wildlife welfare in jeopardy and will negatively impact future generations. Let's get our COs and foresters out of the offices and back in the fields where they belong."

That's signed by Glen Runions. You probably remember getting a copy of that letter. I have another one here. It's from Perkinsfield.

"Dear Mr McLean:

"I would like you to inquire on my behalf why the Ministry of Natural Resources has not received the orders in council from Parliament authorizing payment for the managed forest tax subsidies program. They cannot send out the payment application form until this has been done.

"I have been part of this program since 1986. The trees were planted on my property in 1987 in addition to the trees we have. I have received a tax rebate every year since, usually in the following spring. In 1991 this occurred in July. I have been told by the Ministry of Municipal Affairs subsidy branch managed forest conservation land program...that this may not occur for another two months. We may not get this rebate until 1993 for 1991 taxes. My rebate is almost equal to one tax instalment and that is what I use it for.

"Any help you can be would be greatly appreciated.

"Jeanette Pollard."

I've had phone calls to my office, Mr Minister, with regard to some of the same concerns that other people

have raised with regard to the late payments and being able to get their rebate for conservation land.

In the minister's opening remarks—and I've reviewed Hansard—he mentioned that 158 million trees were planted in Ontario this year. How many seedlings does the minister anticipate will be planted in 1993? It's a question. Will the decision to cut back on seedlings last year affect this year's decision in any way? Will there be more seedlings as a result?

Apparently, some 30 million trees were planted by volunteers, private land owners and municipalities. If I recall, last winter the minister announced that 35 million seedlings were available for planting. What happened to the seedlings which were not planted?

The Tree Seedling Growers' Association and some northern Ontario municipalities have promoted the idea that the ministry should ensure that a certain number of trees are planted every year. A number frequently mentioned is 165 million. Does the minister agree we should establish a minimum level and assure it is met?

The seedling growers have also promoted the idea of a silviculture trust fund where the money from stumping fees and licences would be directed into a fund which would subsequently be used for forest regeneration programs. Does the minister agree with this concept?

On a similar issue, the ministry has announced rent increases for recreational lots and crown lands and a \$6 outdoor card for hunters and anglers. That was discussed widely in the previous day's hearing. This is a comment, really, not a question. It could be a question, but I think this issue should be emphasized. We realize the government is continually looking at ways to generate more revenue for the province. The Treasurer stated this on a number of occasions. Our concern is that effective sectors are not getting this money back. For example, will the money generated from outdoor cards be used for fisheries enhancement and enforcement? Some will probably say, "Probably not."

1620

Hon Mr Wildman: Just for producing the card.

The Chair: Just for the record, I think that's a questionable comment.

Mr McLean: That's right, since the money is directed to general revenue and eventually ends up elsewhere.

You've talked about the gypsy moth program in the Hansard and you've talked about it today. But the minister in his opening remarks remarked that the cancellation of the spring program for spruce and jack pine budworm "is not expected" to affect the health of the forests.

Hon Mr Wildman: For one year.

Mr McLean: The use of the term "not expected" is interesting. When do you expect to know for certain what effects your decision to cancel these spraying programs on northern and southern forests will have?

The Chair: Mr McLean, could you guide the Chair here? Did you want to lay out a series of questions?

Mr McLean: That's exactly what I'd intended.

The Chair: And then when you're ready, you'll ask the minister to respond?

Mr McLean: That's right. I indicated I wanted to lay the questions out today so that the ministry could get an answer back tomorrow.

The Chair: Very good. Thank you.

Mr McLean: Last November the minister announced the formation of the forest industry action group. John Valley was appointed as assistant deputy minister and given the responsibility for directing the group. Mr Valley was asked to draft an action plan for the industry. Could the minister provide an update on that plan? Has it been forwarded to you for consideration and review?

Our caucus has spoken with a number of industry associations over the past year, and the major issues facing large industry in this province—and I would certainly include forestry in this category—are labour law reform, hydro rates and taxation. Last November, when the minister announced the formation of the action group in the Legislature, I asked if the group would be looking at all issues of competitiveness for the forest industry. Certainly affordable power rates are important to maintain and encourage investment. Could the ministry tell us how these issues might fit into the mandate of that action group?

There appears to be a general opinion that the Canadian forestry industry, and that includes Ontario, is somewhat behind the rest of the world in technology development and research. What is the minister's assessment of Ontario forestry's efforts in resource and development, and what can the government do to assist?

Two weeks ago, at estimates for the Ministry of the Environment, the Minister of the Environment discussed the issue of banning the use of chlorine in pulp and paper operations. This is an initiative which has caused a considerable degree of concern in the paper industry. They argue it could cost some \$800 million to convert their facilities. Has the Ministry of the Environment had any discussions with Natural Resources regarding a proposed ban on chlorine? What is the ministry's position on this initiative?

Hon Mr Wildman: Intense and intimate discussions.

Mr McLean: Good. Last June the minister circulated a number of fact sheets to all MPPs regarding proposed amendments to the Ontario Game and Fish Act. The sheet on game farming notes that the Ministry of Natural Resources is consulting with the Ministry of Agriculture and Food on effects of the proposed new legislation. Could the minister please inform us what the main issues of discussion have been with your counterpart on the proposed changes? Would the minister please state briefly what OMAF is saying to your ministry about game farming and the impact Bill 162 will have on this industry?

As you're aware, my colleague Noble Villeneuve, the member for S-D-G & East Grenville, has introduced a resolution calling on the government to introduce a deer farms act. We're wondering, would the minister support this proposal? It will be an interesting reply that I get to that very short question.

I briefly discussed the conservation land tax rebate with that letter. It indicates that over the past two years our caucus members have received a number of letters regarding the ministry's conservation land tax reduction program.

There was a concern that the rebate would be reduced to 75% from its present level of 100%. We have been informed recently that the rebate will remain at 100% for the 1992 taxation year.

Hon Mr Wildman: I win some things.

Mr McLean: The question conservation authorities want to ask—and I'd like to forward this to the minister—is, what will happen to the program in 1993 and beyond?

Vote 2902-2 has mentioned that a review is being initiated and will be initiated on the Conservation Authorities Act to improve the effectiveness and efficiency of the authorities by clarifying their roles and responsibilities. We want the minister to explain what has been developed in this area.

Could the minister please summarize the comments received during the recent public consultation and proposed amendments to the Trees Act? When is new legislation anticipated?

The ministry's relocation: Can the minister give us an estimated date when all relocations to Haileybury and Peterborough will be complete? I have a press release from October 2 which states that the new building in Peterborough will be open in 1995. Will the move be complete by that time? When will the Haileybury move be completed?

I'm asking these questions because it appears that relocation efforts of the Ontario Ministry of Agriculture and Food have not been quite so smooth. Three years ago we were told a number of jobs would be in Guelph in 1992. Now, come 1992, these positions are still in Toronto and the minister is now talking about 1994 relocation dates. I hope this ministry can complete the move far more effectively than that one.

Hon Mr Wildman: We'd be happy to advise our colleagues in the OMAF on how they could improve their move.

Mr McLean: Thank you. Can the minister supply an estimate of how many jobs will be available in the new communities? The press release from October 2 notes, "A limited number of jobs will be advertised locally after they have been made available to surplus government employees." I realize it may be early to supply any numbers, because no one is certain how many present employees will choose not to go, but does the minister have a number they are looking at for new jobs in Haileybury and Peterborough?

Finally, the forestry audit: In the minister's opening remarks, he stated that the audit of the northern Ontario boreal forest will be received later this fall. When the minister announced the audit in April 1991, he stated that the report would be forwarded to the minister by March 31, 1992. What is the reason for the delay in this report being forwarded?

Hon Mr Wildman: Weather.

Mr McLean: Weather. It wasn't good for deer hunting either.

When the minister made the announcement on April 18, he also stated that the audit committee would have a

budget of \$1.5 million. Has this figure been expanded because of delays in the submission of the report?

Agreement with Algonquins of Golden Lake: We were somewhat surprised by the release of the new interim agreement on October 13, 1992. I thought the minister had a commitment to an open process of consultation with all affected parties. What consultations were conducted with interests outside the Algonquin band?

Some of the other questions I have are with regard to conservation authorities. The Ballinger report: I want to know, is the minister going to proceed in any way at all with amalgamations?

Hon Mr Wildman: I can respond to that. The Ballinger report has gone the way of Ballinger.

Mr McLean: One-termer. That's a great answer.

The other questions I want to find out about are with regard to tree planting in the north, seedlings, the seed growers there. There has been a concern. I think I read a news release you had out very recently—maybe it came from them—that indicated that by the end of the year they would know what agreement was going to be made, if any. There is a concern there. I'd like to know if those commitments are going to be fulfilled. I'm sure they will be, but I'd like to know to what extent so they'll still stay in business.

Moose tags has been an area we've all got lots of calls on. I would like to know the amount of increase in tags, if any, or decrease. I still get phone calls from people who thought they were in the pool and weren't, from people who thought they had to have five in a party or have a lodge or a camp. I'd like some idea of how that has worked out this year so that I can let some of my colleagues know about that.

The other thing I want to discuss briefly is with regard to the documents concerning the Ministry of Natural Resources-Municipal Affairs tender designated under the Planning Act, whereby technical guidelines for the administration of a policy—conservation authorities have been advised that the policy will be designated by 1993. Is that the wetlands policy? I'd like a little more of a detailed description of the policy that we're going to be dealing with there with regard to the public purview of it.

1630

On the Public Accounts of Ontario, I have a couple of questions with regard to some of the expenses that are in that public accounts book. When we look at page 206 in Public Accounts 1991-92: T.R. Isherwood, \$28,739; Mr F. Kennedy, \$38,086. Are they for plane travel, accommodation? I'd like a breakdown on some of those, a couple, just to indicate that the taxpayers' money is being spent in an appropriate and proper fashion. I'm sure it is, but I think when you see a figure like that the people want to know what it is.

The Airline Motor Hotel—I presume that's in Thunder Bay—\$57,000; Avis Rent-A-Car, \$204,448. The question I have is, is that tendered or do you use one company only? Is it tendered for, wherever you travel, those vehicles are made available?

On page 210 of the public accounts we can get into some very large figures, millions of dollars of contracts with regard to consulting, Marshall Macklin Monaghan, \$1,966 million. Would that be an appropriate figure, \$1,966,986? I think the public might like to know just about where that almost \$2 million was spent in consulting fees.

Hon Mr Wildman: Just to clarify that, that's for mapping. That's the mapping program.

Mr McLean: That's what we'd like an answer to.

Hon Mr Wildman: Maps are kind of important in the Ministry of Natural Resources.

Mr McLean: I presume that people who want to get a map there pay for it too, don't they?

Hon Mr Wildman: I would hope so.

Mr McLean: Yes, because I have, so I imagine everybody else will.

Hon Mr Wildman: We have to do the mapping to get the maps.

Mr McLean: That's right. I know about how it's done.

Valhalla Inn, \$90,000—that's a lot of money in a year—and the Fairlane. Are they used regularly by ministry staff? Is that the reason for that?

Hon Mr Wildman: I suspect that's the Valhalla Inn in Thunder Bay, which is right close to the airport and is also convenient. So if there are meetings in Thunder Bay that the members of staff go to Thunder Bay for, they use the Valhalla Inn or the Airline because they're close to the airport to make it convenient to getting out of town early the next morning so they can be back in Toronto for 9 o'clock to do their work.

Mr McLean: I guess the reason I asked the question was because there is another hotel across from the Fairlane and I didn't see it in here. I'm wondering why two of them got all the business, and the third one—it used to be the Red Oak Inn, I believe—

Hon Mr Wildman: I'm not sure why. As a matter of fact, I went on ministry business to Thunder Bay a few weeks ago and I stayed at the Red Oak Inn. I don't know whether there's any preference. The Valhalla is closer to the airport, but not that much closer.

Mr McLean: No, and the Fairlane is across the street from the Red Oak, the question being, what's fair for one is fair for the other.

Hon Mr Wildman: After all, it is the "Fair lane."

Mr McLean: "Fair lane," that's right. I would like some of the questions to those expenses looked into.

The other question I have is with regard to some of the recommendations in the royal commission. It recommends:

"That the province, in consultation with conservation authorities, municipalities and non-government organizations:

"Recognize ecosystem-based watershed management and conservation as a primary role of conservation authorities and amend section 28 of the Conservation Authorities Act to give them regulatory powers consistent with this role;

"Examine ways to assist cooperative initiatives among conservation authorities and provincial government agencies; and

"Revise the basis for appointing members to conservation authorities so that more representatives of local non-government environmental/conservation groups are included, while strong municipal representation is maintained.

"The commission further recommends that municipalities work with RAP teams and conservation authorities to integrate remedial action plans and watershed strategies into land use planning and development approval process."

I'd like the feeling of the ministry. Are some of those recommendations going to be made and how strongly are they going to made?

Recommendation 43 on page 204 of the Regeneration booklet:

"The royal commission recommends that the province give high priority to introducing a legislative package as follows:

"Amendments to the relevant sections of the Conservation Authorities Act to clarify the mandate of conservation authorities to undertake environmental protection and recreation activities related to greenways;

"Amendments to the Planning Act to require that, in the case of development, valleylands, wetlands, and other significant natural environments be dedicated to a public agency, or protected in private hands through such permanent mechanisms as conservation easements."

The question is, are you going to proceed along and put the conservation authorities in with an environmental protection and recreation area, and if so, when are you going to do it and how soon do you plan on doing it? I think there are some of those questions.

I have another one here that I've pretty well covered with regard to the conservation authorities. I have to say, Mr Minister, that in the some 16 years that I was involved in conservation, I think the Ministry of Natural Resources gets a great bargain with the use of those authorities. My estimation is that they've been great for Ontario and great for stream bank erosion and conservation. I remember when we were buying the Minesing Swamp wetlands, and Charles Sourile was head of the Nature Conservancy of Canada. They were buying land there for \$50 and \$100 an acre. Preserving that for all time, I think, is very important.

Those are some of the questions I have at this time, and I would appreciate if you would respond some more.

The Acting Chair (Mr Len Wood) : Thank you, Mr McLean. There's about four minutes—

Hon Mr Wildman: Mr Chair, I'll attempt to answer these questions if possible, and then we will be happy to provide information to the member. I appreciate the—

Mr McLean: That's why I asked. I knew once you got us talking, you wouldn't get us to shut up.

Hon Mr Wildman: Well, I'm happy to listen to all members. I appreciate the comments about the staff and your commitment to Bill 162.

In regard to the conservation officers and funding, I think it's important to put this in the context of the reorganization of the ministry and to recognize that we are

taking a team approach to ecosystem management—and compliance is integrated into that—and to recognize that the role of the conservation officer as an enforcement officer is very important, and that will be maintained, but also the conservation officers will be playing a greater role as part of the overall team management.

We are facing fiscal constraints, as are all parts of the ministry. My friend from Manitoulin was critical, I think for good reason, about the need to spend more in forestry. Obviously, if we make our commitment, which is very important, and maintain our commitment to forestry, then other branches of the ministry also have to face constraint.

There was misunderstanding in regard to the suggestion that there would not be any overtime for conservation officers. We are committed to the protection of wildlife and we will in fact be responding to emergencies. I made a commitment that at least half or up to half of the conservation officers' complement will be working on statutory holidays between now and the end of the fiscal year, and we'll make every effort to make it possible for conservation officers to carry out their duties as they should.

We can provide next time the information the member has asked for with regard to the managed forest tax rebates and conservation land tax. I would just say in regard to his remarks about the conservation authorities that we fully agree with his assessment of the partnership between the conservation authorities and the ministry. It's essentially a partnership between us and the municipal sector to ensure that we have proper conservation, and we agree fully that ecosystem watershed management should be a central role for the conservation authorities.

1640

As a matter of fact, as the member will probably know, the Ballinger report has indeed gone the way of all flesh and it has been replaced by the work that has been done by the liaison committee, chaired by myself and with representatives of AMO and the Conservation Authorities Association, where we reached a consensus on core program and watershed management. Flood and erosion control is a central top priority as a result of that consensus.

There was also consensus on amalgamations, that they would not be forced and that while we would encourage them they would not be forced, and a consensus on appointments. I agree with the member's assessment that we should have as many non-governmental appointments representing both the municipalities and the provincial government as possible.

As to the wetlands management that he talked about, of course he will know that in June we announced the wetlands policy statement under section 3 of the Planning Act and that the municipalities will now be responsible for implementing the policy statement and for having regard to proper protection of class 1, 2 and 3 wetlands under the Planning Act.

That is the approach we are taking, and so far it has met with a great deal of support from all sectors: the municipal sector, the environmental sector and the private sector. If we find, though, that other measures have to be taken to properly preserve and protect wetlands in this province, we will take those measures in future.

I think we can give the information the member has asked for with regard to relocation and the numbers of jobs next time and we'll table that.

The member raised questions about the boreal audit. I indicated that weather was the main reason for the extension of the time. The weather did not cooperate with us, either last year or this year particularly, in carrying out that work. The audit will be tabled very soon, and I think it will give us significant information and point us in certain directions with regard to natural regeneration and artificial regeneration, silviculture in general, in the boreal forest.

With regard to the suggestion of a silvicultural trust fund, I'd be interested in hearing further proposals in this regard, but I would point out to the member that I pointed out the figures earlier. We are spending well above what we receive in revenue. I don't want to trumpet this too loudly, because our American trade friends may be listening, but you know that one of the reasons for the counter-vail action in the United States is that the American government and the American industry do not believe we are indeed receiving enough revenue through stumpage and other charges.

We don't accept that view but it is certainly correct that we spend substantially more, so the suggestion or the inference in your remarks that somehow there's all kinds of revenue coming in from our forestry sector that is going into other expenditures from the consolidated revenue fund is just incorrect. We're spending a lot more than we get.

You characterized the crown lot leases as rent increases that I had announced. I understand why you might characterize it that way—I was in your role at one time myself—but I think it would be more fair to characterize it as a moderation in increases that were already committed by the previous government. In fact some of those increases would be as high as 300%, based on market value and reassessment, and we have moderated that downward to 15% or \$100, whichever is the greater, in each year until we reach market value.

In fact there are a lot of crown lot leaseholders in northern Ontario who are getting a credit because we have lowered the amount that they were going to be charged or were already being charged on the basis of the increases announced by the previous government. As a matter of fact, a number of them will be paying substantially less this year than they did last year because of that credit.

Mr McLean: I have a further question I wanted to get into before you get completed.

The Chair: Mr McLean, your round completed itself at 20 to, and the minister's been using up his government's time for five minutes, so I would like very much to move to the government's time.

Mr McLean: How much time was I allowed?

The Chair: It was 25 minutes.

Mr McLean: You're right on in your timing.

The Chair: I'm afraid so.

Hon Mr Wildman: Can I, Mr Chair—

The Chair: No, you can't, Minister. I'm going to recognize Mr Lessard. If you want to use up your caucus time, that's fine.

Hon Mr Wildman: I just wanted to ask if it would be appropriate, and I hope my caucus colleagues would accept this, if the assistant deputy minister for the forestry industry action group, John Valley, who cannot be here tomorrow, could in fact respond to the questions raised by my friend about that activity of the ministry very briefly, because it's very important, before we go to questions from the government members.

Mr Valley has been significantly involved in bringing government and labour together and has indeed been dealing with questions of competitiveness in the industry and questions of new technology and affordable power rates. Cogen is a very important aspect in northern Ontario to lowering costs for the paper industry. I'd like Mr Valley to bring us up to date on his activities and the activities of the ministry in this regard.

Mr McLean: Mr Chairman, if I can just put this on the record when they're going to review the rest of it, I have just one final question. It has to do—

The Chair: Don't say it's your final question, Mr McLean. I may hold you to that.

Mr McLean: I mean in this round.

The Chair: Oh, okay.

Mr McLean: Are the costs that you collect in licensing fees all going back into conservation, fishing and restocking?

Hon Mr Wildman: If I could just respond—

The Chair: No, Minister, I'm sorry. We have a process to follow and I'm going to try and attempt to get this thing back on rail. I have a speakers' list and I have a committee that has charged me with the responsibility of moving this around fairly to each caucus. I have a speakers' list with Mr Lessard and Ms Haeck.

Hon Mr Wildman: Well—

The Chair: Excuse me, Minister. I have to have their permission in order to proceed to hear from one of your staff members. If I have their permission, then fine, but it's the Chair's ruling that we're biting into their time in order to do it. Mr McLean asked to simply put a question on the record for staff to respond to at a later date. If the minister wishes to use that time, he should check with his colleagues and we'd be more than pleased to use their time to do it.

My question is to Ms Haeck and Mr Lessard. Do you wish to yield some of your time now and hear from the individual the minister would like to call forward at this time?

Mr Wayne Lessard (Windsor-Walkerville): Yes.

Ms Christel Haeck (St Catharines-Brock): It's fine with me.

The Chair: Very good. Please introduce yourself for the record and respond to the invitation of the minister to respond to whatever the question was that got us all into this in the first place.

Hon Mr Wildman: I think the last question was on fishing licences, which of course this assistant deputy minister has absolutely nothing to do with.

Mr John Valley: Thank you very much, Mr Chairman. My name is John Valley. I'm the assistant deputy minister, forest industry action group, and I appreciate the indulgence of the committee to let me respond at this time.

Mr McLean raised the question of the general conditions of the industry, the progress of the work of the group to date and some questions around specific issues. Would those three areas satisfy you if we explored those?

Relative to, first of all, the condition of the industry, as one who grew up in the industry and who worked for a number of years at a senior level, I can tell you that this is without doubt the most challenging time this industry has ever seen across North America and central Canada in particular.

We are facing a situation where the Ontario industry is coming to grips with an erosion of position that has occurred over several years. It has occurred, frankly, through the course of several administrations of government, a number of generations of management and a number of generations of union leadership. When you compare the relative cost position of the Ontario industry against its principal competitors, whether you're talking about pulp, paper products, solid wood products or panels, on a number of fronts we've seen an erosion of position to the point where we are truly in a difficult competitive position.

1650

To that end we have been working with three principal thrusts. The first one would be to work with other government agencies and with specific companies on site-specific issues, where there's a facility that is in significant difficulty and, frankly on the optimistic side, we have also been working closely on a number of situations where there are development opportunities, opportunities to take advantage of underutilized or unutilized fibre bases that exist in the province.

The second thrust would be to play, I guess, the role of devil's advocate and perhaps frank counsellor within the government on existing and proposed government policy, most particularly that related to certain issues in the energy area that the minister referenced and also, as the minister referred to, an intimate and intense consultation on the MISA debate. I can't refer to the intimacy but I can refer to the intensity of the consultation, and I can tell you that there has been a very candid, forthright debate on the various factors associated with that particular policy reform.

With regard to the action plan, this is kind of a venture into the unknown in that we are bringing together the three principal influencing forces on the industry: big government, big labour and big management. They are not groups that have historically come together with ease or historically have come together with common focus.

The process over the last 10 months—somehow it seems a lot longer than that some days—has had its share of frustrations, but I also believe that process in terms of bringing the combined resources of those three forces to

bear on the competitiveness questions and the relationship questions, I think, in the long term is going to provide some benefit to the industry and will result in two things: one, a strategy which I believe we will have available generally on schedule around mid-year next year and, two, an industry that will be more competitive and better positioned because of some new working relationships that will develop.

Mr McLean: Thank you.

Mr Valley: Very good.

Mr Lessard: Mr Minister, in your opening remarks you talked about a lot of the programs that are being undertaken by the Ministry of Natural Resources that have to do with the protection of forests and trees, which happens to be an area of interest for me. You talked about sustainable forestry, reforestation and the private woodlands strategy, and those are all very good initiatives.

However, my riding of Windsor-Walkerville, which is located in Essex county, has tree coverage of about 2% to 3%, so is not very well endowed with forest cover, and we're really fighting to maintain natural resources on a tree-by-tree basis in my riding. We're not talking about forests or woodlots there.

One of my constituents by the name of Bruno Sfalcin has been trying to propagate endangered species of Carolinian trees in my riding, so he's involved in a personal way as far as saving endangered species of trees on a tree-by-tree basis there. There was an article about him in the Windsor Star a couple of weeks ago and he made reference to a natural habitat restoration program that seems to indicate to him some prospect of hope in the initiatives that he's undertaking.

That isn't something that you referred to in your opening remarks and I wanted to ask you about that program because he seems to think that we should be undertaking these initiatives as well, as opposed to planting certain types of trees in rows that are only for the purposes of creating planks and two-by-fours and basically tree farms, not really involved in restoring a natural habitat.

Hon Mr Wildman: That's very commendable and very important obviously. I would think, coming from your part of the province, Mr Lessard, you would be very much in favour of the proposed changes to the Trees Act.

Mr Lessard: Definitely.

Hon Mr Wildman: The Carolinian forest is very important to this province, particularly to your part of the province, and of course it has been of significance to us in terms of trying to preserve the Rondeau Carolinian forest against our four-legged friends.

But with regard specifically to the gentleman you mentioned and the program you mentioned, perhaps it would be better if we were to respond next time around. I don't know whether you can be at the—when it would be, Mr Chair. Tomorrow?

Mr Lessard: I'll be here tomorrow.

The Chair: Are there no staff members present today who can assist with responding to this question, Minister?

Hon Mr Wildman: Mr Balsillie, the assistant deputy minister, could respond if you wish.

The Chair: Welcome, Mr Balsillie.

Mr David Balsillie: I'm not specifically familiar with the particular project. I'm not sure whether you have it entirely correct, but there is a project called Renew which has to do with rehabilitation of habitats for rare, threatened and endangered species, which is a multiparticipant activity with the federal government, provincial government, municipalities etc, as well as interest groups. Rare, threatened and endangered species include not only animals but plants in the Carolinian forest that you're talking about in southwestern Ontario.

They are items which we are looking at in that kind of light, in terms of making sure that those are protected, and they may be protected either under activities which we're undertaking related to rare, threatened and endangered species or under the endangered species program which will respond to the World Wildlife Fund's challenge to protect very specific wildlife or natural heritage features, which should be protected because they're under pressure in all the 65 ecodistricts across this province. We're aware of those types of programs. We are involved in them, so we are looking at rehabilitating some of those areas.

Mr Lessard: One of the problems that Mr Sfalcin has is he has been doing this in his backyard and he's running out of space himself. The other concern he has is trying to collect and maintain seeds, because he can't plant them all in his yard, and until such time as we do find spaces to do that, are we involved in trying to maintain seed banks of endangered trees like black gums or other types of Carolinian trees?

Mr Balsillie: That I'm not familiar with, whether we're actually collecting and saving the seeds. We do have a tree seed program. I can look into that and report back with regard to it. If you have a copy of a letter from this individual, then we'd be pleased to follow up.

Mr Lessard: Okay. Thanks.

Ms Haeck: I will register my support for the Trees Act right here and now, because, if I may take just a minute to explain, not too long ago a church in Niagara-on-the-Lake decided to clean up the cemetery next to the church and cut down some trees that were over 100 years old, and I can assure you that didn't go over well with a number of the people in the congregation.

Interjection.

Ms Haeck: Well, they didn't have much chance to voice their opinion any more, but definitely the living made sure they were heard and they were looking to the Trees Act as a means of providing them with the tools to save those trees.

But I'd like to actually turn to a page in the estimates book, page 30, and it's a local issue and one that is not a big-dollar item by any means, but it relates to the Owl Rehabilitation Research Foundation, which is not in my riding but in Lincoln riding.

I count as one of my acquaintances someone who in fact works there but also has an interest in wildlife in total,

so I am concerned to see that they have been cut as far as their allocation is concerned, and I'm wondering what programs we are going to be initiating to assist wildlife in general, understanding that this one is not on the funding list this time.

1700

Hon Mr Wildman: I'm not sure if one of the members of staff here could speak to that.

The Chair: Do we have any takers?

Hon Mr Wildman: If not, we can get the response for Ms Haeck for tomorrow.

Ms Haeck: I'd appreciate that, since I do get questions on this as well and there is a local concern. This has been a high-profile group in the area and it's covered nationally as well as internationally. Wildlife of this variety, raptors in general, are of concern.

Hon Mr Wildman: Yes. Ms McKeever was a member of the Wildlife Working Group that looked at the possibility and made recommendations for the development of a new wildlife act for Ontario. Bill 162, the Ontario Game and Fish Amendment Act, is a step towards that, and that's why I was hoping we could get agreement to move forward with it. But the work that Ms McKeever has done is of great value and we appreciate it very much. We'll get the information for you.

Ms Haeck: I think our time's probably almost over.

The Chair: No, I have Mr Wood on the list.

Mr Len Wood (Cochrane North): Yes, just briefly, and I won't ask you a number of questions like Mr McLean did. I'll ask you one at a time. But he's going to get them in writing.

Interjection.

Mr Wood: You want the answers?

Hon Mr Wildman: Yes, I was hoping you'd give us the answers on the moose tags.

Mr Wood: Yes, well, what I'm concerned about is that we hear a lot of stories out there as to all the money that is being raked in as far as fishing licences and game farming are concerned, and I'm just wondering, Minister, if you have a breakdown on the amount of money that is brought in as far as the sale of fishing licences is concerned and the amount of money that is spent on that, as well as on game farming in Ontario, the revenue that comes in and the amount of money that's spent.

Hon Mr Wildman: Okay. I'll deal with the two of them separately. Mr McLean also raised this concern with regard to the resident sports fishing licence. As we indicated last time, we spend significantly more on fisheries rehabilitation than we receive in revenue from the sale of the fishing licences, but the sale of the fishing licences has been quite lucrative. In 1991-92 and in the previous year, the revenue was \$11.5 million and the expenditures in both of those years were over \$50 million. So you can see that we are spending approximately five times what we receive.

The estimate for 1992-93 is \$16.5 million. The reason for the significant increase, as we indicated last time, is that we are offering a three-year licence. We anticipate that

if a large number of anglers purchase a three-year licence, there will be an increase in revenue for next year, but of course there will be a concomitant decline in revenue for the two subsequent years. Our estimate for expenditures for next year will be again approximately \$56 million. So, maintaining the ratio, we're spending almost \$40 million more on the fisheries program than we receive in revenue to the consolidated revenue fund.

Mr McLean: What's the figure for 1992-93?

Hon Mr Wildman: Fifty-six.

Mr McLean: The sales of licences.

Hon Mr Wildman: The sales, we estimate, 1992-93, will be \$16.5 million. The reason for the revenue increase is the fact that we will be offering a three-year licence, and we're guesstimating how many people will purchase and what that will mean.

The other question you raised was with regard to game farming. My friend from Simcoe also raised that issue and I think he wanted to know if I was in favour of the private member's bill introduced by his colleague from the united counties. I would say that we have had discussions with the Ministry of Agriculture and Food with regard to this issue and we are close to finalizing an approach which we will be informing the House about. We have been consulting widely with our client groups, both ministries, about this.

We have expressed in our ministry serious concerns about the farming of native species, and the Ministry of Agriculture and Food has been advocating on behalf of the possibility of diversifying agriculture, livestock production, by the introduction of game species. We're working out an accord that will respond to both concerns.

We are anticipating that there may in fact be legislation developed that will respond to this aspect of the issue from the farm community while we proceed with Bill 162. I'm sure the deer farm act proposed by Mr Villeneuve will be very useful to my colleague the Minister of Agriculture and Food in the development of his legislation.

Mr Wood: Thank you. I believe I've run out of time.

The Chair: Yes, you have.

Mr McLean: On a point of privilege, Mr Chair: Tomorrow, I wanted to raise the issue with regard to Tiny Beach.

The Chair: What's the privilege here?

Mr McLean: The privilege is, can I have somebody here from the ministry? It will be a legal opinion. Can I have somebody here from the ministry to address that?

Hon Mr Wildman: We would be happy to have someone here who will respond to the questions, keeping in mind that we have to be very careful to ensure that matters that are discussed here do not in any way impinge upon litigation.

The Chair: Thank you for serving notice of your interest in those staff members. If there are any other requests, they should come forward now while the ministry is here.

Mr Brown: The other day I asked that the ministry include the numbers from the anti-recession package. If

they are here, I didn't see them. I would appreciate if those could be provided to us.

Hon Mr Wildman: We're sorry if we missed that. We'll provide that.

The Chair: Who is your number cruncher who is looking at the anti-recession package?

Hon Mr Wildman: The assistant deputy minister, John Goodman, would be happy to crunch for us.

The Chair: Welcome, Mr Goodman.

Mr John F. Goodman: There is no anti-recession money in this.

Hon Mr Wildman: No, my friend from Gore Bay is referring to—

Mr Brown: Kagawong.

Hon Mr Wildman: Kagawong. Sorry. He is referring to the moneys we received from the \$700-million anti-recession package previously.

Mr Goodman: Yes, and that was in previous years.

Hon Mr Wildman: Yes. We should be able to give that information.

Mr Goodman: I'd like to be very accurate when I do that, Mr Chair, so that we can provide that answer to the member.

The Chair: Thank you very much.

Mr Ron Eddy (Brant-Haldimand): Minister, I have a question about the gravel extraction levy and the municipal share thereof. I believe it's been in operation for two years now and there's been a delay in the payment of the municipal share to the municipalities because of computer programs or problems in records from the gravel companies or something.

I know there's been a delay and I wonder if that's been resolved or can be resolved so that the payment is made sooner. I think the municipalities fear that they're financing the province rather than their own municipalities. It is a large sum in the case of some of them. I can leave the question with you if you like. No problem.

Hon Mr Wildman: This was an issue that was raised in the Legislature last year. There was a delay because of the changes that had taken place and trying to get them in place. We'd be happy to provide the member with the information tomorrow as to what is being done to try to ensure that we can get it out in a more timely fashion to the municipalities.

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Mr Eddy: Fine. I know it will come up again if the matter isn't resolved, and I hoped it was.

The other day I left with you an inquiry about a future provincial park, and I notice you have a report in here, in answer to a question, that all park programs or park plans have been completed. I'm not sure of the status. I gave the wrong name. I said Komoko, and it should be Kilworth, I believe.

Hon Mr Wildman: I just want to clarify, Mr Chair—

Mr Eddy: Oh, was I misreading?

Hon Mr Wildman: Yes. We aren't saying that all park plans are completed. As a matter of fact, I think somewhere in the neighbourhood of 97 management plans have been completed, leaving 163 in various stages of development that are ongoing. Those parks are being managed on an interim basis. Their plans have not been completed.

Mr Eddy: So there'll be a priority list of some kind that you're working on for the balance.

Hon Mr Wildman: I think priority list is the wrong way to describe it. Various park plans are being worked on by staff and they're at various stages of consultation and completion. The specific question you raise about the plan for the proposed park, if you can give us the name, we'll get the information.

Mr Eddy: I used the name Komoko the other day, but I should have said Kilworth. I think Kilworth is the correct name. Is that correct?

The other part I wanted to inquire about is a day-use park with no facilities that is located west of Dunnville and east of Kerrs Point. It's a concern. I believe it's operated by the management from Rock Point Provincial Park. That's my understanding, but I'll leave that with you.

One of the other matters is the hunting and fishing agreement with the Six Nations first nation. I know there's been a bit of a problem. Do we see a solution to that in the near future? Is that progressing?

Hon Mr Wildman: I want to say also that I appreciate my friend's support in this regard and his concern for the need to have proper management and a development agreement. For that matter, most of the municipal leaders in the area have also been very supportive.

As you know, it is very complex—my friend would know better than I—dealing with the people of Six Nations, which is the largest aboriginal community in Canada. As with all or most of the communities of the Iroquois confederacy, you have two different governments: You have the traditional government, the Haudenosaunee, and also the elected government under the Indian Act.

The previous elected government had agreed that the Haudenosaunee, the traditional people, would act as the negotiators for a hunting agreement with the Ministry of Natural Resources. With the resignation of Chief Montour and his replacement by Chief Williams, there was some uncertainty as to whether or not that agreement was remaining in place.

There has been progress in the negotiations with the Haudenosaunee. It is quite a change, actually, for them to be negotiating with us, because traditionally they have taken the position that they do not recognize the jurisdiction of the provincial government at all. Their relationship is with the federal crown.

There has been progress but it has been difficult. I understand the question of the elected council's acceptance of the approach has been clarified and Chief Williams has indicated that he is prepared to proceed as was being done before.

The big area of concern right now is that we are having some disagreement, shall we say, or continued discussion about what the traditional area is for the Haudenosaunee,

for the people of Six Nations. Some would take the position that they should be able to hunt and exercise their rights anywhere in Ontario. We take the position that their traditional land use area has to be defined but that it is generally west of Burlington. That's a matter that is open to further discussion, and we expect that there will be further negotiations in that regard, but I'll keep you posted on the developments. I know this is very important to the municipalities, to the anglers and hunters and to the federation of agriculture in the area.

Mr Eddy: It sounds like progress.

The final point I had was the matter of the famous tow path along the Grand River, and I guess the question there is simply—and I realize the problems regarding that particular matter as well—is that particular matter being negotiated or is that federal or is it a combination of provincial and federal? I know we had a meeting on this some time ago.

Hon Mr Wildman: Actually, I hope to be having another meeting with the municipal leaders down in Brantford. I think we're trying to find a time in my schedule. When we have done that, we'll notify you and make sure you know well in advance so that you can be in attendance.

Mr Eddy: I appreciate it.

Hon Mr Wildman: I appreciated the position taken by the municipal leaders and their understanding of the complexities of this problem. The problem is, as you say, is it provincial or federal? I guess it's both, and that's where we run into the difficulty, because historically the federal Department of Indian Affairs and the Department of Justice have taken the position that they will not negotiate pre-Confederation claims, and this long pre-dates 1867.

Mr Eddy: Yes.

Hon Mr Wildman: If there is to be a settlement, the province will be involved; we will have to be involved. But at this point, the federal government has indicated that it is prepared to review its long-standing policy of not dealing with pre-Confederation claims. Mr Siddon made a statement to that effect some months ago, but it has not at this point been clarified as to what exactly that means and what resources the federal Department of Indian Affairs and the Department of Justice will put into actually responding to a significant number of pre-Confederation claims, most of which are in eastern Canada and in Ontario. I hope to have some more information on this when we meet with the municipal leaders in the next few weeks.

Mr Eddy: I look forward to the meeting. Thank you for the invitation.

Mr Brown: I take it from your comments to Mr McLean concerning conservation officers that their availability is now similar to what it was in the previous fiscal year.

Hon Mr Wildman: The budget for the conservation officers is different in each district, since the decisions are made on the basis of the team management approach I was talking about in the various districts. It's hard to generalize, but there are constraints, and that generality is correct.

The only general province-wide directive was that discretion should be shown in authorizing overtime; in other words, we will respond to emergencies. But there are constraints, and there are constraints in the use of vehicles and so on that towards the end of the fiscal year last year were a problem, and we have attempted to deal with that.

There are other possibilities. If there isn't to be as much overtime as there has been in the past during this constraint period, there is obviously the option of having an eight-hour shift at another time during the 24 hours that make up the day. There's no particular reason, in my view, for conservation officers only to work from 9 am till 4 in the afternoon. It would be quite appropriate, particularly in spawning season, fishing season and hunting season in particular areas, to have a flexible approach and have those eight hours straight time, with consideration taken into account for the change in hours from 4 pm to 12 midnight or from 10 pm to later in the morning. Those are options that we should be looking at, and I think we've got to be flexible in order to meet our obligation to protect wildlife and to ensure that the regulations are adhered to.

Hunting at night: Hunting is an unsafe practice, in our view, and it's something that we are determined to deal with in meeting our obligations to public safety as well as conservation.

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Mr Brown: I understand that your colleague the Minister of Government Services is looking at procurement policies relating to paper. Unfortunately, I left my note in my office so I can't recall exactly what they'd be, if it was 50% recycled, and I'm not sure what the other half was. I'm sure you will know. I'm just wondering, given the fact that apparently that product is not produced anywhere in Ontario at this time, what representations you've made to the Minister of Government Services on that particular issue.

Hon Mr Wildman: I'd like to get some comments from the staff in this regard, but I just want to make one comment—and I hope Mr Valley will accept my view—that one of the roles of government, whether it be the provincial government or the federal government or governments in the United States, is to help to create a market for a product. If there is a market for a product, my free-enterprise friends tell me that market niche will be met by entrepreneurs and companies who wish to take advantage of that market. I don't know whether Mr Valley wants to comment, or Mr Goodman or Mr Tough.

The Chair: You do this at great risk, advising an NDP minister about the merits of the private sector. Give it a whirl.

Hon Mr Wildman: It was my decision to hire this guy away from Boise Cascade.

Mr Valley: Discretion being the better part of Valley, I will refrain from comment.

Mr Brown, you raised a question of procurement policies. I'm aware of one procurement debate in the industry where the industry has in fact made representations, and we'll be discussing that with Mr Wildman and Mr Tough. That related to more on the question of chlorine-free paper.

I was not aware of the recycle issue, but again, with that knowledge—

Mr Brown: I'm sorry, I forgot my note.

Hon Mr Wildman: We in our own ministry have a commitment to go to recycled. My deputy minister reminds me that commitment is also coupled with a commitment to buy Canadian, for obvious reasons in this ministry, but what we are identifying with a number of initiatives taken particularly in the United States with regard to governments there wanting to purchase recycled product is that there are more and more products coming on to the market. We are in a very difficult economic period for the industry. In terms of reinvestment, it's difficult, but an industry that wants to do well in this particular economic situation is going to attempt, I'm sure, to identify new areas that it can sell its product in.

One of the things that was raised earlier was the question of chlorine-free paper. I'm told by some people in the industry that whatever governments do because of demands in various jurisdictions around the world for chlorine-free paper, there is a great deal of research being done by some companies in order to be able to lower the amount of chlorine used in the process. I'm told by my free-enterprise friends this is how the market works.

Mr Valley: I can also say that there are three specific sites in the province, two of which we're working with fairly closely, where successful repositioning of the mills could leave them in a position where they might take advantage of a recycle sheet of that characteristic with 50%-plus content. I think the industry has a growing sensitivity not just to the environmental pressures but also, frankly, to some of the cost advantages the urban forest confers.

Mr Brown: Thank you.

Mr McLean: The figures that you give, Minister, with regard to the fishing licensing revenues: What are the revenues from the other licences, such as deer and moose licensing fees? I believe that expenditure is probably included, part of that ministry, isn't it, the \$50 million that you give and the \$56 million?

Hon Mr Wildman: No. I would like some clarification. Mr Riley, the assistant deputy minister of operations, could give us some assistance in this regard, but the \$50 million-plus that I referred to is for the fisheries program. Some of it—I'm not certain; maybe, Ray, you can clarify—is going to compliance. I suppose Mr McLean might argue that compliance doesn't just deal with fisheries, it also deals with game and fish and wildlife and other regulations, but certainly by far the majority of those funds, the \$50 million-plus, is for fisheries.

Mr Ray Riley: The expenditures are around \$56 million, and that is primarily a fisheries expenditure. There may be a CO who codes his time one afternoon, when it's split half between tagging fish and the other half between chasing partridge, to one or the other, but that \$56 million is essentially a fisheries charge.

The \$16.1 million, I think it was, that Mr Wildman mentioned before in terms of this year's projected revenue around fish licences is resident only, and if you total resident

and non-resident, it comes up to roughly \$30.5 million. In total licence fees in the fisheries area that the province collects, the revenue is about \$56 million.

Hon Mr Wildman: And if the member wanted the other fees that we charge, in terms of bear management we get \$375,000; commercial fishing, \$154,000 in 1992 we anticipate; and the parks fees are about \$15 million.

Mr McLean: Are they in the estimates?

Hon Mr Wildman: Yes, page 68 in your estimates.

If you add them all up, it's about \$55 million that we receive in all of the various—fishing, hunting, parks, and aggregates fees as well, which are approximately \$2 million, a little less than \$2 million. They work out to \$54.525 million, and we're spending more than that on fisheries alone.

Mr McLean: How many fish hatcheries closed down and what did you save by closing them down?

Mr Riley: I believe there were three closed and the number, unfortunately, escapes me right now. I would guess in around the \$1 million range.

Hon Mr Wildman: We had that last time around. We can bring it for tomorrow.

Mr McLean: What's going to be your saving as of 1993 with regard to the closing of the four nurseries?

Mr Riley: About \$4.5 million.

Hon Mr Wildman: Yes, we gave that last time as well.

Mr McLean: The other question I have is, what is the amount raised—is it in here?—with regard to—you've got your fishing and hunting licences, \$25 million.

Hon Mr Wildman: Fishing and hunting, yes, almost \$25.5 million.

Mr McLean: That's counting moose and deer.

Hon Mr Wildman: Yes, and small game and birds.

Mr McLean: Can you give me an update on Algonquin Park? There was a lot of discussion with regard to that at the time, and you've now negotiated a new agreement. What numbers of moose and deer have been taken out of the park, and have there been any repercussions in that regard?
1730

Hon Mr Wildman: We had those figures last time and we can get them for you again. The agreement was, I believe, for 100 moose and 175 deer—I believe that was the agreement—and they took substantially less than that. I stand to be corrected, but I think it was somewhere in the neighbourhood of 47 moose and 34 deer. So it was certainly evident that the monitoring worked and it was proved that the Algonquins were not out to rape the resource. As a matter of fact, they didn't take what they could have taken according to the agreement. It worked very well. There was good monitoring. There were only a couple of instances of abuse, which, as I understand it, were both reported to the ministry by the chief and council.

We negotiated a new interim agreement and we consulted with all the interested parties prior to ratifying that and, frankly, we did not get a lot of response this time around to the consultation. There was a great deal of controversy

with the negotiation of the first interim agreement, but there was very little this time. I understand that the ad hoc committee has expressed some concern just recently, but that was subsequent to the whole process. When we first approached them during the period before it was ratified, they did not raise substantial concerns.

Mr McLean: Did anybody know that negotiations were going on?

Hon Mr Wildman: Yes, they did. They all knew.

Mr McLean: I never knew.

Hon Mr Wildman: As a matter of fact, one person who is on the ad hoc committee is on the monitoring committee that is set up by the ministry. It's an independent committee and it is not a ministry committee, and they monitored the previous agreement and agreed that it had indeed worked and that the Algonquins had lived up to their obligations.

We specifically contacted all the interested parties and asked them for their comments and, as I said, there was very little controversy. The ad hoc committee, I understand from the press, has put out the comment that we should not be interpreting the Sparrow decision by the Supreme Court as a basis for the exercise of aboriginal rights in Algonquin Park.

As a layman and not a lawyer, I would also point out that there are other decisions that are of significance in this area, such as the Sioui decision, which is, as you know, Mr McLean, a Supreme Court decision in which the court found that Hurons had the right to hunt in a provincial park in Quebec.

Mr McLean: Okay, black bear management: Have you cut back on licensing for outriggers with regard to the availability of being able to get black bear licences? I'm talking about northern Ontario.

Hon Mr Wildman: No, we haven't, not to my knowledge at all. I don't know whether—

Mr McLean: My understanding was that they had.

Hon Mr Wildman: Mr Riley may be able to comment.

Mr Riley: Was the question relative to black bear licences, Mr McLean?

Mr McLean: Yes. Have you cut back on—

Mr Riley: To resident hunters?

Mr McLean: No, to outfitters, the availability to outfitters to be able to have licensing so that they could have people come and hunt black bear.

Mr Riley: The only thing that would have occurred in the last year or so would have been a restriction on the opening of new bear management areas until we got some of the niceties squared away in some of the areas bordering the far north.

Hon Mr Wildman: We were negotiating or finalizing black bear management, and in that period there might not have been an expansion, but we weren't cutting back.

Mr McLean: That's fine. The next question I have is with regard to commercial fishing. Has there been an increase in the number of allotments for tonnage that they

can take, or has there been any cutback with regard to the amount of tonnage that they can take?

Hon Mr Wildman: The decisions that are made are not made on a province-wide basis; they're made on the basis of lake management plans that are developed by the biologists in the particular areas. There have not been significant increases, although there have been some species increases. In particular in Lake Erie there have indeed been cutbacks in yellow perch because of the perceived decline in age classes that has indicated that the yellow perch stocks in Lake Erie are under pressure.

Currently, we are in a dispute with the state of Ohio. Ohio is arguing for even more significant cutbacks than we've made. We have made those cutbacks, which are indeed significant and have affected the industry substantially, on the basis of what we understand the stocks to be and in an attempt to not have a precipitous cut in the allocations. We may in fact be going to an arbitration process with Ohio to resolve the dispute, although right now we're attempting through discussion to try and resolve this difference of opinion.

Mr McLean: So the bottom line is that there has been no decrease in the amount of licensing tonnage that Ontario commercial fishermen are allowed to take.

Hon Mr Wildman: No, that's not correct. That's not what I said at all. I said, indeed, in some areas there have been. In yellow perch on Lake Erie there's a significant cut.

Mr McLean: That's the question I wanted to find out: Were there significant cuts or not?

Hon Mr Wildman: It depends on the lake. There are some areas where some species have seen an increase—I wouldn't say significant increases, generally, but there have been some increases—but it depends on the lake and the body of water. If you have a specific body of water you'd like comments—

Mr McLean: Yes, Lake Simcoe is one of the greatest sports fishing lakes in Ontario, and very seldom do you get any whitefish there any more. I'm wondering what restocking has taken place there to rehabilitate that lake.

Hon Mr Wildman: Oh, I misunderstood you. I thought you were talking about commercial fishing before.

Mr McLean: I was. You answered that. But now my question is with regard to Lake Simcoe, with regard to sports fishermen.

Hon Mr Wildman: The emphasis in terms of our fisheries program has been towards rehabilitation of fish habitat as opposed to substantial increases in fish stocking. We are still involved in some fish stocking programs, but the percentage of fingerlings that reach maturity and reproduce after stocking is substantially less than the percentage of native fish in a body of water.

We have generally taken the view that if we can rehabilitate fish habitat, improve water quality, and thus improve the native stocks, it is probably a more efficient way and a more environmentally acceptable way to rehabilitate the fish stocks.

I don't know whether we have anyone here who can speak specifically to stocking programs in whitefish in Lake Simcoe, but we'll have that information for you tomorrow.

Mr McLean: Thank you. The other question I have is with regard to the aggregates bill. How many new approvals have been given to open pits since you became minister in the province of Ontario aggregates?

Hon Mr Wildman: I don't have the total number, but we'll try and get that, over the last two years, how many open pits—

Mr McLean: I'm talking about new ones.

Hon Mr Wildman: If you're talking about aggregates, you're talking about open pits. I don't know of any underground mining of aggregate.

Mr McLean: The other question I have is a follow-up with regard to that. Since the aggregates bill has come in, within a lot of municipalities there have been private pit owners who have been made to put on a master plan to get approval from the ministry once again, which they had years ago, but now they're asked to do it all over again.

Hon Mr Wildman: Yes, that's right.

Mr McLean: There's been a lot of that. Have they had a problem getting approvals, a lot of them? I mean, I have no idea. I'm curious to know. Have there been a lot of pits rehabilitated and closed down because of the new aggregates act?

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Hon Mr Wildman: There have been a substantial number, but there is also a tremendous demand for aggregate in this province, and where there is a resource, there are ongoing operations. There have also been applications for expansion of aggregate operations, obviously.

Yes, there have been a number of closures where the operator has met his obligations under the act. Frankly, we would like to see—and I told the aggregate producers this the last time I met them and spoke to them, that there's a tremendous fund they could access if more of them took advantage of the opportunity to close out and obtain the funds. I know in this current market situation many of those operators could in fact benefit from the program. We'll attempt to get you some of those figures.

Mr McLean: Speaking about the fund, when does the ministry get its money and when does the ministry pay back to the local municipalities what they're owed?

Hon Mr Wildman: That question was raised by my friend, and we've said we'd get that information for you tomorrow.

Mr McLean: Okay. The licensing for sports fishermen out of province: To me, it looks like it's about \$10 million that's raised by out-of-province sports fishing. What is the fee for an out-of-province sports fisherman's licence?

Hon Mr Wildman: Ray, can you help us with that?

The Chair: Please have a seat and introduce yourself for the record again.

Mr Riley: Ray Riley, assistant deputy minister of operations.

Hon Mr Wildman: Are you suggesting, Al, that we should be increasing the non-resident fishing fee?

Mr McLean: No, I'm not. I'm just curious. I know what some other provinces charge and it's a substantial amount. I'm just curious.

Hon Mr Wildman: Before Ray comments, I recognize, and I'm sure all of us here recognize the significant importance, particularly in some parts of the north, the northwest, of the tourist industry and the outfitting industry. While we are determined to provide a fishing experience for anglers from our province, we also recognize that we hope we can remain competitive in the tourist industry. One of the main components of that industry in northern Ontario is the wilderness experience and the angling experience, particularly in remote lakes.

Mr McLean: Eighty-five dollars, is it?

Mr Riley: The non-resident seasonal licence for 1993 is proposed at \$45. We're introducing next year a non-resident conservation licence which comes in at half price at \$22.50. It allows the non-resident to take fish in Ontario but not to keep anywhere near as many as he could if he bought the full seasonal licence. It varies by species; it may be two bass and one pickerel, given the circumstances.

Hon Mr Wildman: That's in comparison to, of course, the \$15 for a resident, and the full conservation licence for a resident is \$7.50, a significant difference. You're talking about three times as much. We hope the conservation licence will encourage catch and release and conservation of the resource.

Mr McLean: Okay. Thank you. The final question for this round is the leased and rental crown lands. There's great concern with regard to that. There are some areas where they're putting lines and expanding, and some people's camp that they've had for 50 years is all of sudden being—they say it's got to be now torn down because it's within 100 feet of the line that's drawn. That's just out of Whitney and it's a camp that I happen to go to for moose hunting. Anyhow, the concern has been raised with regard to the increased fees for those camps. It wasn't long ago they were \$100, and now they're about \$340. That's one aspect.

The other aspect is, people who own property, have a cottage in Algonquin Park, are now saying: "Well, my fees are going to double now. What do I do?"

Hon Mr Wildman: Well, I did speak to that earlier. The government policy—and it has been the government policy, I think, for many years—has been to charge a fee based on the market value, and the benchmark has been 10% of market value. There was a reassessment of those lots in the 1980s and if we had based the leases on those reassessments, as was proposed by the previous government, you would have seen increases of anywhere from 300% to 600% in one year. I reviewed that after I became minister and decided that it was unfair, particularly in the current economic situation where many people are experiencing economic difficulties, to see that kind of percentage increase.

We reviewed it and came to the conclusion that a more equitable approach would be to have an upward limit of

15%—down from about 300%—or \$100, whichever was greater, and that those increases would continue until we reached market value and that the process would be reviewed in five years. This doesn't apply, though, if the lease changes hands. The new leaseholder would pay the 10% of the market value.

It could be argued we should have chosen a lower figure, but we chose that figure keeping in mind that it was going to be reviewed in another five years. That's the reason we came up with that figure.

The Chair: Mr Lessard.

Mr Lessard: Mr Minister, one of the things I did during constituency week last week was meet with the general manager, Ken Smith, and representatives from the Essex Region Conservation Authority. One of the things they wanted to discuss was funding of conservation authorities, of course, and you might want to address that. But as Mr McLean has suggested, it was their strong belief that the services provided by conservation authorities were a great bargain. In fact, they felt that was the most efficient service delivery organization to the environment.

One of the issues they mentioned was the overlap of services between the Ministry of Natural Resources and conservation authorities and they mentioned things like plan approval, tree planting and biological review. I know my colleague the member for Essex-Kent probably has a better idea of where those overlaps might take place, but one of the suggestions they thought might be worth considering was to have Natural Resources staff actually work in the conservation authority office so that they could work together. They would avoid the overlap and in fact be able to avoid maybe differences of opinion so that they weren't both performing the same service.

I wonder if you could address the funding issue, for one, and the possibility of more cooperation between Natural Resources and conservation authorities.

Hon Mr Wildman: Yes. I said earlier that we agree that it is a bargain. It's a very important partnership. Last year we completed some months of work on the liaison committee that I described earlier—I won't go over that again—but we faced a very serious fiscal situation.

We had arrived at a formula for funding which was a consensus for southern Ontario and for northern Ontario, but the ministry was faced with a significant fiscal problem. We had to cut our expenditures by about 10%, so we also felt that our partners should share in that, and their funding was cut by about 10% as well, although I did mention the other day that to try to alleviate that problem we got permission from treasury board to allow a transfer of approximately \$3 million across the province to conservation authorities from their capital budget to their operating budget. That has been confirmed to be an ongoing transfer.

The suggestions you've made are interesting. In the current economic situation we're going to have to look at new, innovative ways of meeting our obligations for both the core mandate and other activities of the conservation authorities. We will be discussing with our partners what the funding levels will be this coming year and what new

approaches might be taken. We may have to move on from the liaison committee's consensus to new approaches. Questions of secondments may be something we could look at, how we could avoid duplication. Those are all things we would be interested in pursuing, particularly in southern Ontario.

In northern Ontario, of course, as my colleague from Kapuskasing would testify, there are only—what?—four or five conservation authorities, and they are concentrated around large urban centres. The rest of the areas—small towns, unorganized townships, crown lands—are areas managed by the ministry.

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Mr Lessard: It kind of ties in with the whole disentanglement exercise that I know we're trying to undertake with the Ministry of Municipal Affairs as well, so I appreciate the fact that you're prepared to look into those things. Thanks.

Ms Haeck: I do want to echo some of the concerns that my colleague Mr Lessard has raised around the conservation authority. I haven't met with them recently, but I know that obviously funding is a big issue for them as well. I know that one of the streams coming off the Niagara Escarpment, running through a built-up area, does in fact, shall we say, eat away at a number of people's—erosion is rather substantial. I'm wondering, are there specific moneys dedicated strictly for this, sort of in an urban context? While I know this wasn't the highest priority, in fact for some of these neighbourhoods it ends up being an issue. Saying "You'll have to do it next year," doesn't necessarily answer the question.

Hon Mr Wildman: Historically, flood and erosion control has been a very high priority for the conservation authorities. That's why, in 1946, they were first established, essentially. During the liaison committee's work, we identified flood and erosion control as a top priority for the core mandate.

The process is that the individual conservation authorities identify the projects, particularly capital projects, that they want to carry out, and they set their priorities. They submit that to the ministry, and we get all kinds of proposals into the ministry from the conservation authorities. Then we have to look at them and we rank them on the basis of their arguments on the need and our understanding of the need across the province on the basis of the total fiscal package and have discussions with them on their priorities and the priorities we're setting. We then approve a number of projects on the basis of the rankings that are finalized. Not all of the projects are approved, obviously. That's the process and how it works.

I know that David Balsillie, the assistant deputy minister, would like to add something to that.

Mr Balsillie: What happened in the past two years in terms of our negotiations with the conservation authorities is that we have increased the amount of capital available to each of the conservation authorities. Part of the fund is called the local priorities funding. That has allowed them even more flexibility in ranking some of their own smaller projects, if this is a smaller project of bank restoration.

There's the large list of the provincial priorities and then they have funding of their own which they can set to their own local priorities. As I say, if it's a big project, it goes on our list provincially; if it's a smaller project, it goes on local priorities funding.

Hon Mr Wildman: The other two things I want to say are that some conservation authorities, with MNR approval, are able to divest of some of their properties or assets. We have agreements where they can retain the revenue, and they can then build up a fund for their own uses. The big problem, though, for many conservation authorities is not so much the capital expenditures, but once you've developed your capital infrastructure, there's your operating cost. New capital projects add to the operating cost, and that's a concern to the municipalities, which have to pay a levy as well. That's why we moved the moneys from capital to operating, to try to alleviate some of those problems that conservation authorities were facing.

Ms Haeck: If I can ask one, small question additionally, the Niagara Peninsula Conservation Authority runs an area called the Ball's Falls Conservation Area, a conservation park, basically. As part of that, there are a number of structures that are of heritage value. It's a very pleasant place to have a picnic. People get married in the church there on a regular basis as well because it is a very pleasant location.

The buildings are apparently suffering the usual thing that happens with buildings of heritage value. Obviously, I'm going to put a pitch in as far as maintaining heritage is concerned, because it's one of my favourite issues. I'm just wondering how much the ministry is seriously considering being able to assist in something that obviously has some, not only conservation value but historical value for the region.

Hon Mr Wildman: Of course, we have a sister ministry, the Ministry of Culture and Communications, that is involved with the Ontario Heritage Act. We are involved in the discussions around the development of that legislation. But a specific project would go through the process. I doubt Mr Balsillie can comment on the specific project. We'll try to get you some information if there's been an application from the local conservation authority for restoration or preservation of that.

Ms Haeck: I'd appreciate that, because I know it's played a considerably—

Hon Mr Wildman: If we can't get it by tomorrow, we'll get it to you.

Ms Haeck: I have patience; these buildings have been around for a while. But definitely there is a concern locally that they are crumbling and they need some assistance.

The Chair: Wonderful.

Mr Brown: Mr Chair, I have some questions that I think maybe it would be best to file now.

The Chair: If you file them through the clerk, then we'll have a copy, and then we'll give those to the ministry staff.

Mr Brown: Some of them may have been answered, but of course they were prepared before we actually arrived.

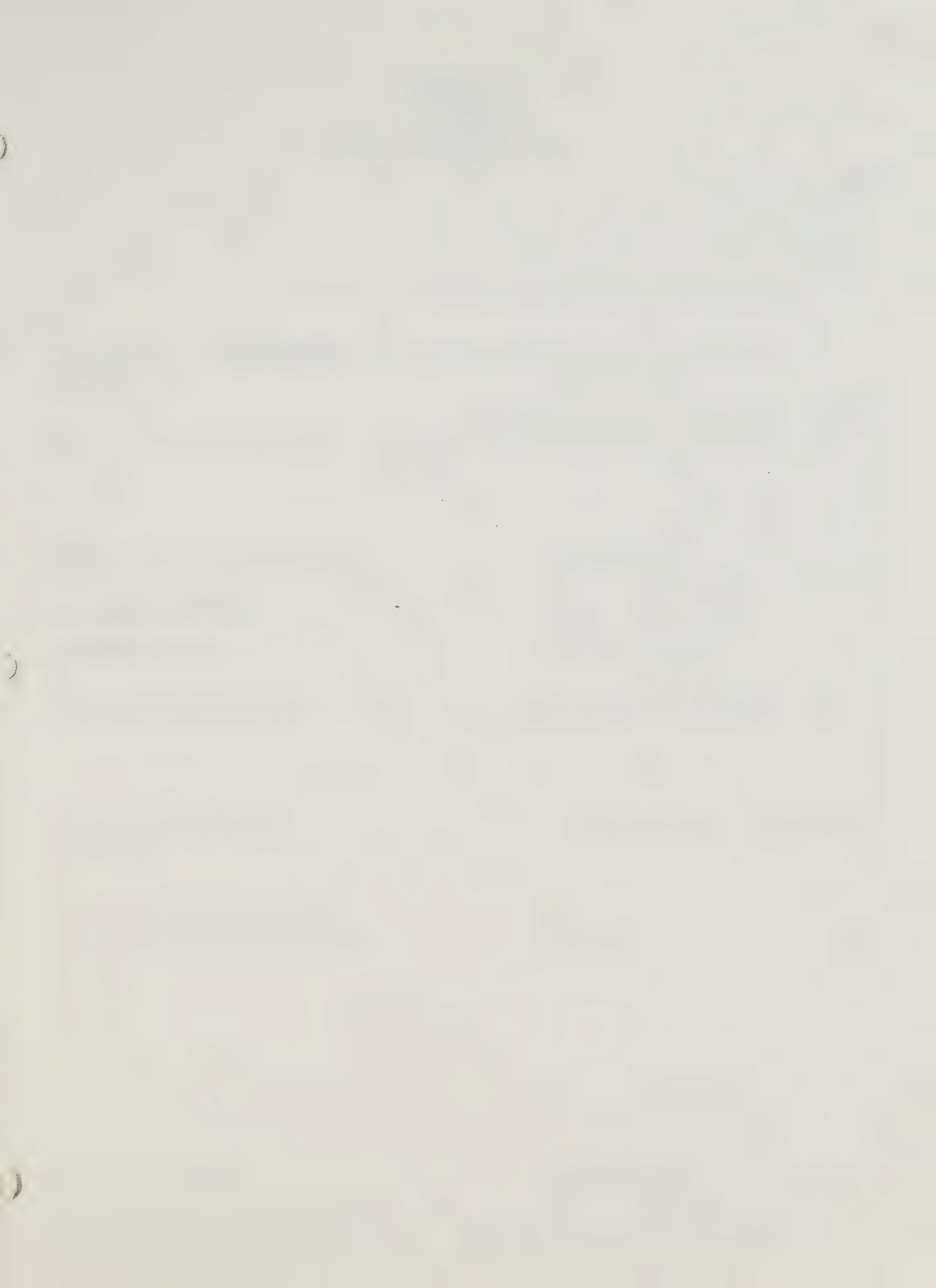
The Chair: Are there any other questions from committee members? If not, une autre page.

Hon Mr Wildman: If I could add one comment just briefly, Mr Chair, before you hit the gavel, in regard to the outdoors card, I just want to make one short comment. The \$6 fee that is being raised for that is not new revenue to the ministry in the sense that it is additional revenue. That \$6 fee will simply cover the cost of the production of the card

and its distribution. There is no net revenue to the province from the \$6 fee.

The Chair: This committee stands adjourned until tomorrow, at which point we will complete our estimates of the Ministry of Natural Resources, and we will start on time because we're slated to commence the estimates of the Ministry of the Solicitor General. This committee stands adjourned.

The committee adjourned at 1800.



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- *Rizzo, Tony (Oakwood ND) for Mr Perruzza
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Ministry of the Solicitor General

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Clerk: Todd Decker

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Ministère des Richesses naturelles
Ministère du Solliciteur général

Président : Cameron Jackson
Greffier : Todd Decker

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON ESTIMATES

Wednesday 18 November 1992

The committee met at 1528 in committee room 2.

MINISTRY OF NATURAL RESOURCES

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. We have an hour and 20 minutes yet to complete the estimates of the Ministry of Natural Resources. When we left off yesterday, there was a series of questions tabled and I believe the ministry has a majority of the responses, which they are circulating to committee members now.

Thank you, Minister and staff, for such a timely response. As that's being distributed, I would indicate that in the last rotation we ended up with the government, so I will be moving to Mr Brown. If we could take Mr Brown right away—Mr Brown, we're in your hands for about 20 minutes.

Hon Bud Wildman (Minister of Natural Resources): I have the answers for Mr Brown to the questions he asked yesterday.

Mr Michael A. Brown (Algoma-Manitoulin): Mrs Fawcett has a question and then perhaps I could go on.

The Chair: Well, that's the thing circulated. Mr Brown, I think you'd like to open. Mrs Fawcett, please proceed with your question.

Mrs Joan M. Fawcett (Northumberland): Thank you very much, Mr Chair. I appreciate Mr Brown allowing me a chance to ask the minister a couple of questions.

Concerning Presqu'île park, Minister, I'm sure you know I've been receiving several letters and calls about the uses of Presqu'île park. We know it certainly has a lot of recreational-type uses: hiking, swimming, cycling, bird-watching and all those good things, but also the waterfowl hunting is another use and it does cause some concerns to a few constituents.

It's my understanding that the long-awaited management plan for Presqu'île Provincial Park—I think it was initiated in 1979 and has maybe been delayed or postponed. I just wondered if I could find out just where that's at at the present time.

Hon Mr Wildman: This is a matter of some considerable local and provincial interest. The finalization and completion of the master plan has been stalled by three governments.

Mrs Fawcett: Right.

Hon Mr Wildman: It's just a matter of the financing and the costs involved. We want to ensure, obviously, that there's a proper consultation around any proposed master plan and any changes there might be in usage, and the question is how much that might cost.

It's been estimated to be anywhere from around \$25,000, if there's not a lot of controversy, up to as high as \$250,000 or more. Frankly, in the current fiscal situation,

that's difficult for us to proceed with. We had hoped we would. This spring we had hoped we would be able to proceed and to complete it.

I think Ms Fawcett has identified the particular issues. It's a tremendously important and significant waterfowl refuge, and there are a lot of naturalists across Ontario who are very, very interested in the future of that site and how it's to be managed.

I guess I'm a little bit in the hands of the member. I'd like to hear what advice she might give us. There are a number of options that obviously have to be dealt with in any development of the master plan and completion of it. Should we allow hunting to continue or should there perhaps be—I don't know—sanctuaries on the island? Maybe there could be changes to the kind of hunt, along the lines of Point Pelee and other options.

I'm certainly aware that the bird-watching fraternity or sorority—I don't know what you call it: community?—is very concerned and would like to see an elimination of hunting as part of a completion of the master plan, but I must say that at this particular time we don't have the funding budgeted to complete the plan.

Mrs Fawcett: What you're saying, then, is the plan hasn't been completed yet.

Hon Mr Wildman: No. We wouldn't want to go—

Mrs Fawcett: Is there ongoing consultation with the groups, or has there been?

Hon Mr Wildman: No, that's the problem. We would not complete the plan without a consultation with all interested groups—

Mrs Fawcett: But that involves cost.

Hon Mr Wildman: —and that's where the cost is.

As I said, if there were no controversy, it might be as little as \$25,000, in which case we obviously would be able to proceed, but if we're looking at a major consultation around particularly the issue of hunting, it could be 10 or more times that amount of money involved because we'd want to ensure that it was a full consultation and that all groups, the naturalists, the local people, the people with interest in parks generally, the Ontario Federation of Anglers and Hunters and the Federation of Naturalists and so on, would be consulted, and the tourist industry as well. This might in fact entail a significant effort at a great deal of cost.

Mrs Fawcett: I know that it is quite unique. Is there another park where there is a real problem like that with the recreation versus the hunting?

Hon Mr Wildman: Point Pelee is similar. That's why I referred to it before. At Point Pelee, as I understand it, they have eliminated the use of lead shot. They allow the hunt to continue but with steel shot rather than lead shot, and that's on sort of a pilot project basis.

Mrs Fawcett: So you don't really foresee a time frame yet. You haven't got down to a time frame where you might make a decision on this.

Hon Mr Wildman: No. As I said, I would be interested in your views as to whether or not we might proceed with some of the changes and consultations around any changes that might be proposed by the various groups prior to the completion of a master plan, whether we could begin those consultations now on a smaller scale.

Maybe that would be a way to approach it, as a way of gauging what kind of interest there might be from the public. If there was a good deal of interest, that would certainly give us an indication that we would be looking at an enormous or significant cost.

Mrs Fawcett: All right, I won't take up any more time, Minister, but I will be in touch. Thank you very much.

Mr Brown: While I would love to have the opportunity to hear all your responses—

Hon Mr Wildman: They're very brief. Did you get the material we tabled?

Mr Brown: Yes, but I haven't had a chance to peruse it.

Hon Mr Wildman: But I have some comments in response to some of your questions yesterday.

Mr Brown: Sure. Chair, how are we doing?

Hon Mr Wildman: I won't take very long.

The Chair: Yes. The minister has indicated his understanding of the time constraints, and he'll be brief.

Hon Mr Wildman: Yes. I think we dealt with the \$6 fee on the outdoors card yesterday, and we dealt with the sports fishing licence, which will be keeping pace with inflation after three years of no increase.

You asked a question about the total classified complement, I believe, on the Ministry of Natural Resources.

Mr Brown: I think that's in the estimates.

Hon Mr Wildman: It's 4,836. Yesterday you asked about salary increases and wages. Mr Tough pointed out that salaries and wages includes a 4% salary award. We're tabling further information with you on that today.

There was a question yesterday—I'm not sure if it was Mr Brown's—about the cost of the old growth advisory committee's work. The ministry budgeted \$300,000 for that, and that includes support staff, a very small staff, and salary.

There was a question about new provincial parks. No new provincial parks were created last year. No new protected areas were established under the endangered spaces program. However, we've made a commitment that we will identify new areas for protection of various types. There may be parks; there may be other methods of protection. We will be announcing those in the Parks Centennial Year next year. As you know, 1993 is the 100th anniversary of the establishment of Algonquin Park.

We dealt with the crown lot rentals yesterday. We're tabling further information today to what was discussed yesterday. Information is being tabled regarding park fees.

I think it was Mr McLean who asked a question about yellow perch. I won't go into that here.

Mr Brown: I think I asked it also.

Hon Mr Wildman: The rest of the questions that were either put verbally or were then tabled by Mr Brown yesterday are in the material that we're tabling with you today.

Mr Brown: I think I'll ask a few questions about my own riding.

Hon Mr Wildman: That's allowed.

Mr Brown: I wonder if you could give me the status of the Misery Bay Provincial Park, which was created among the 52 that were created in 1988 or 1989, and what the park plan is for the Misery Bay Provincial Park.

Hon Mr Wildman: I don't have that information off-hand, but I can get it for you.

Mr Brown: Fine. The other question that relates directly to my riding is information regarding the Lake Huron fisheries research unit that is located at South Baymouth. This is a cause of some great concern to the people in the South Baymouth and Tehkummah area, where the research station is now located. They are concerned that the ministry may be consolidating that particular station.

Obviously, it would not be in the interests of the community, and in my view, not in the interests of the ministry. There's a first-class facility there that I've had the opportunity to tour, which was just recently upgraded, as a matter of fact. So the people in that area are very concerned with that, given the fact that the ferry season has been shortened this year by two weeks and given the fact that the government has seen fit to again raise the ferry fees. As the minister would know, that's terribly important to South Baymouth, which is located at the far southeast of Manitoulin.

1540

Hon Mr Wildman: I don't have specific information in that regard today. Mr Tough might be able to comment.

Mr George Tough: We did have a look at facilities, such as at the last round in which we were developing proposals for expenditure reduction, and we decided in the short run that we would not bring that forward as a candidate. We'll do what we can to preserve it as a function. We recognize its significance. No guarantees for the future, but for the moment we're satisfied that its contribution against its cost is a very definite plus.

Hon Mr Wildman: Perhaps I could just add that when we say "its contribution," we mean its contribution economically to South Baymouth, but also in terms of biological research in the fishery in Lake Huron.

Mr Brown: Thank you. I and my constituents appreciate that response. We understand that you cannot commit long-term for the future, but in the short term that's good and we hope that you will remember your words of today as time goes on.

Hon Mr Wildman: The same way I remember the words you quoted, at the beginning of the estimates, from last year's estimates.

Mr Brown: George is quite the conjurer.

I was concerned that I didn't get a direct answer, or at least I didn't think I did, to the question of third-party compensation in regard to land claim settlements. I expressed the concern that people in the non-aboriginal community have often been there for three or four or five generations adjacent to these lands, and have not had a process in place where they've had input before the decision seems to be made. I wondered what the government's view is regarding third-party compensation, not as to individuals, but as to businesses and perhaps even communities.

Hon Mr Wildman: Yes, that's a very important question. I'm sorry; you're right. I hadn't responded to that.

Perhaps if I could use one of our negotiations as an example, it might help me to answer you, and it's a claim that you're probably familiar with since it's in my riding, very close to yours: Mississagi number 8.

In that particular case, the federal and provincial governments and the first nation have been negotiating off and on for a long time. There has been some consultation with the municipalities and with the other local community over that period of time on a sort of hit-and-miss basis. All three parties came to a proposed settlement and there was, I think, understandable desire on the part of the federal government and the first nation to finalize that agreement. I felt, though, and I think you'd agree with me, that it would not be appropriate to move to a final agreement without proper consultation around issues such as the one you've raised.

We've set forward a three-month consultation period with the local communities—Blind River-Iron Bridge area—the municipalities, tourist outfitters, property owners, loggers and other businesses, to try and get their views and input before developing a final proposal. This is not a done deal. We're serious about this consultation and hope that the input we get in this consultation process will enable us to finalize an agreement that will take into account the concerns of the local population and local businesses.

In this particular case, there has been this negotiation going on, and we're now in the consultation period. To be honest with you, Mike, in future I would hope that it's done the other way around, that there will be the consultation and then we get into the negotiations, and that the consultation will be ongoing while the negotiations proceed.

Having said that, in terms of compensation in the Mississagi situation, we have and are seeking input and we haven't made final decisions, but it is conceivable, based on the input and the matters raised, that there might be compensation for businesses.

For instance, if you take a logger who has built roads in the area, obviously we will have the obligation of finding alternative timber limits for the logger and we will probably want to pay compensation for the construction of the roads the logging company has built in the area, and other improvements perhaps. Those moneys would, in our view—this is certainly not something the first nation has agreed to—be deducted from the moneys we would be involved in transferring as part of a final settlement.

We are prepared to look at other businesses, tourist outfitters and so on, if they can show a detrimental impact. Also, both for them and for residents, we have to deal with guarantees for access—road access and access to lakes in the settlement, and questions about how management will be carried out in the future so they will not be detrimentally affected. If they can show some such effects, we would consider questions of compensation. We have not considered monetary compensation for residents whose access is guaranteed.

Mr Brown: Thank you.

The Chair: Keep going, Mr Brown; you're doing great.

Mr Brown: Good stuff. I understand that the Manitoulin land claim with the act has not been proclaimed. Is that correct?

Hon Mr Wildman: I don't know the answer to that question. I'll find out for you. I was under the impression it had been.

Mr Brown: You may be right.

Hon Mr Wildman: But I will check that and find out for you.

Mr Brown: Thank you.

Hon Mr Wildman: There have been some questions, as you know, around shoreline reserves.

Mr Brown: I think there are also some questions—I raised it in the House in the debate and I think you concurred with a description of properties.

Hon Mr Wildman: Yes.

Mr Brown: I think that may be the holdup.

Hon Mr Wildman: Yes.

Mr Brown: I would just like confirmation of where we're at.

Hon Mr Wildman: We've got somebody checking that now.

Mr Brown: Okay. Yesterday I had the opportunity to be out in the Rouge and I'm wondering what the government's position is with regard to the Rouge Valley provincial/national park. Will the provincial government be following the advisory committee's 70 recommendations?

Hon Mr Wildman: Currently, within the government, we have an interministerial task force working on the response. I've made a commitment to the Rouge Valley committee that it will have a response before the end of this calendar year. This is an ambitious timetable because, as you said, there are a lot of recommendations and they affect not just the Ministry of Natural Resources, but a large number of provincial ministries and agencies and their plans for the area, municipal plans as well as individual property owners. We are currently working on that and I've made a commitment that we will have a response, as a government, a corporate response, by the end of the year.

Mr Brown: So the document is being well circulated through the ministries now, I suspect, for comment?

Hon Mr Wildman: Yes, it is, and we also have had discussions with the federal government about what its response will be and how we will be able to cooperate with

it. I hope to be meeting with the federal minister, Pauline Browes, next week I think, to have further discussions with her.

1550

Mr Brown: The final question I have is regarding your MISA involvement. I think you, in some respects, spoke to Mr McLean, the member for Simcoe East, about the pulp and paper—

Hon Mr Wildman: I said it was intense and intimate.

Mr Brown: Yes, I was hoping to flesh that out slightly.

Hon Mr Wildman: Obviously, the Ministry of the Environment is developing the proposals with regard to AOX, absorbable organic halides, and the pulp and paper industry, the whole question of chlorine, and has had significant discussions ongoing between the Ministry of Natural Resources staff and the Ministry of the Environment staff, along with discussions with the industry.

The assistant deputy minister, Mr Valley, who made a presentation before the committee yesterday, has been central to those discussions with the industry and with labour and also with the Ministry of the Environment. I understand that the Minister of the Environment hopes to finalize the position very soon and to make it known to the industry and to the public in the next few weeks and months.

Mr Brown: This is of course a significant decision.

Hon Mr Wildman: Yes, it is. It will have a significant impact on the industry.

Mr Brown: And on the environment.

Hon Mr Wildman: And on the environment. They estimate that the capital cost over about five years would be in the neighbourhood of \$600 million.

Mr Brown: That depends of course, Minister, on what the actual regulations say.

Hon Mr Wildman: If there were a zero chlorine—

Mr Brown: We are concerned that the regulations, as they come out, are based on science, and I shall leave it at that.

Hon Mr Wildman: I understand what you're saying.

The Chair: Thank you very much, Mr Brown and Ms Fawcett. Mr McLean.

Mr Allan K. McLean (Simcoe East): Perhaps I could continue in the vein that I started off on yesterday. Because I haven't got time to wait to get replies to the few questions I have, I'd appreciate having them sent back to me in written form.

Hon Mr Wildman: I think the questions you raised are among those we've tabled the answers to today.

Mr McLean: I have some more questions, Mr Minister.

Hon Mr Wildman: All right.

Mr McLean: I went looking for some answers and I'll leave more of the time so that I can deal with the issue that I asked to be dealt with.

Hon Mr Wildman: Could I ask, since Mr Williams has come, if he could respond specifically to the question Mr McLean had about Rowntree Beach so that his trip will be of benefit to Mr McLean and to the public in Ontario?

The Chair: Mr Williams, do you have a plane to catch?

Mr Michael Williams: No.

The Chair: Fine. When Mr McLean's ready for you we'll let you know.

Mr McLean: That's right. The questions to start with, for the record: Has the Ministry of Natural Resources or the Ministry of Revenue recently reviewed the assessment on conservation lands? I have a question that was brought to my attention by a conservation authority.

On page 34 of the briefing book, vote 2903, we note a 1.5% increase in the ministry's allocation for resource management and protection. On page 57, vote 2903/5, we have what amounts to an 8.3% reduction in allocations to conservation authorities for administration and program operations. The 8.3% figure is arrived at by adding the \$11 million for administration with the \$13 million for program operations, for a total expenditure of \$24 million. This was down from last year's expenditure of \$26 million. Could the minister explain the variance between the allocation to the ministry and allocations to the authorities? I'll be looking for that answer in writing.

Hon Mr Wildman: Could I just tell you, as I've said in the estimates earlier, that we don't quarrel with your figure for the conservation authorities. Our position is that this is very similar to the total cut the ministry has experienced, which was in the neighbourhood of 10%.

Mr McLean: Tax revenues related to wildlife: I want to relate some of these figures, because of the figures that we were given yesterday, of what was indicated that this money is revenues from licensing and the amount that goes back out in tax revenues related to fish and wildlife. According to the figures of the Ontario Federation of Anglers and Hunters, it's some \$360 million. They indicate that wildlife activities generate more than 62,000 jobs. Wildlife expenditures by residents alone contribute more than \$2.2 billion to the gross domestic product of the province annually, and that's the Ministry of Natural Resources' Looking Ahead: A Wild Life Strategy for Ontario.

When we look at the Ministry of Natural Resources' wildlife budget, there's only \$28 million, and the amount is tax revenues that are raised through the various aspects of the ministry. We were looking for some clarification on that very issue.

The other issue that I wanted to raise is on the Ontario Federation of Anglers and Hunters. In some things they have been very critical of the ministry, and I just wanted to address a couple so that you'll have the opportunity, Minister, to clarify for the public some of the comments they have made. I think that's only fair.

They say that the ministry is underfunded, understaffed, and overstressed, they're not even getting enough to cover the costs of inflation, and that the same level of stress on the Ministry is beginning to take effect in our forests and our waters. They're indicating that wetlands

forest management, poaching enforcement, wildlife and stock assessment, fishery stocking and research are just a few of the items that are suffering because of the lack of ministry funds in that direction.

Mr Morgan has said that the government cannot justify the ministry's tiny \$59.4-million fisheries budget alone, because anglers contribute \$105 million to the province each year through fishing licences, taxes and sales tax. They indicate that the MNR wildlife budget is even smaller. So there is a concern that the hunters and anglers have raised, and I think it only fair that you should have the opportunity to address it.

Hon Mr Wildman: In that regard, in addressing that, I indicated yesterday what the figures are. We agree that we certainly could use more resources, and we would welcome additional resources for fish and wildlife management. Having said that, though, a figure of over \$300 million is just completely off the mark. It includes everything from sales taxes to gasoline taxes, income taxes, I suppose—I don't know if it's income taxes, but sales taxes, gasoline taxes, taxes on booze, taxes on cigarettes, taxes on any kind of gear or equipment purchased. Those kinds of taxes are paid by everyone in the province, not just by anglers.

Mr McLean: I understand that, and I wanted it on the record. That's why I asked those very important questions.

The other policy your government has is with regard to biologists. I read somewhere that the credentialism of biologists is not necessary.

Hon Mr Wildman: Are you in favour of credentialism?

Mr McLean: I would like to hear from your ministry why you are looking at changing that very policy. I think the biologists are looking to know why it's being changed also, and I haven't seen anything in writing that would show me why they should be changed, the credentials for the job description.

Hon Mr Wildman: I think Mr Tough would like to speak to that, but it relates to the whole philosophy of ecosystem management on a team basis, the reorganization of the ministry and the responsibility of professionals within the ministry and technicians within the ministry to be able to deal not just in a narrow focus as a forester, for instance, but also to be able to take into account fish and wildlife. A biologist should be able to look at not just wildlife, if he or she is a wildlife biologist, but at forestry values and so on. That's the reason for that, particularly when it comes to someone who's going to be a team leader. But I would like Mr Tough to be able to respond.

Mr McLean: Well, he can reply to me in writing.

The Ontario Federation of Anglers and Hunters had another—it's my time and I haven't got much—

Hon Mr Wildman: Oh, sorry.

Mr McLean: —so I'd kind of like to get it on the record so that he can reply.

Hon Mr Wildman: Well, I'd just like to have on the record the correct information.

Mr McLean: Well, you'll be able to do that in writing.

The other aspect that's been brought to my attention is with regard to spawning walleye in the Thames River. Your staff have estimated that the Movaran band—

Hon Mr Wildman: Moraviantown.

Mr McLean: —Moravian?—takes 600,000 pounds of spawning walleye in the spring. Clearly the abuses of the conservation principles of the Sparrow decision—this exceeds the food requirement for 300 people. What did you do to ensure this didn't happen this year? Why were you unsuccessful? And what charges were laid and what is planned? Perhaps we could get answers to those questions.

1600

The other news release I have here says, "Save Algonquin Park: Supreme Court Reasoning Suggests Golden Lake Band Does Not Have a Valid Aboriginal Right to Hunt in Algonquin Park." All indications have been that they do have that right, and some are saying not; perhaps we could have that clarified.

The final thing I have is with regard to the county of Simcoe tree nursery, the operation at Midhurst. It's due to be closed in 1993. The county of Simcoe has now become very concerned with regard to the aspects of this closing. It always had been indicated as one of the better tree nursery operations in the province. The question is, what study was done to determine that this tree nursery should be closed? All indications from the county have been that it has been operating at 85% efficiency. They want to know what study was done.

Hon Mr Wildman: We responded to that before you were here but we'd be happy to respond to you directly in writing.

Mr McLean: Good. January 9, I sent you a letter, Minister, with regard to the status of beaches along Georgian Bay in Tiny township. You replied to my letter on March 10.

"The ministry has made a commitment to respond to matters raised at the meetings over the next several months. In addition, ministry staff from the Huronia district office will meet with individual area associations and request a meeting."

Yes, I was at those meetings and they were well attended.

The question I'm getting from my constituents is this:

"The answer given by your ministry at question 5 does not purport to indicate the intention of the ministry but states categorically what actions the ministry will take. As a result of the ministry's stated position, I can see no reason why the ministry should not take the necessary steps to abandon its claims immediately in order to remove the cloud which exists in the subject properties...."

"1. This litigation has created a cloud as a title of all properties along the disputed strip in Tiny township. Therefore, owners are not able to sell or mortgage their properties. As well, the properties have been devalued."

They're looking at five to six years of litigation; that's what we're getting at.

"The issue warrants government action today. Deferral will only create anxiety for the persons affected. This letter is respectfully submitted for your consideration."

These are the letters I've been getting, and I've been sending some to your office, Mr Minister, for a reply.

I would like the people to know what's happening in that area of the tree line and all the aspects of it.

The Chair: The minister has indicated that a Mr Mike Williams is here. If you would, please tell us your exact title and position with the ministry. You've been present for the questioning today; please proceed.

Mr Williams: My name is Michael Williams. I'm the district manager for Midhurst district Ministry of Natural Resources.

In response to your question, Mr McLean, I can advise you that the status of the Rowntree Beach law suit is that the crown will be proceeding to trial with a target date of April 1993. At the meetings which have been referred to in the correspondence that you read I believe there were requests presented to the ministry to consider two things to help resolve some of the residents' anxiety.

The first one was the matter of the Ministry of Natural Resources quit-claiming its interest in those properties. I can advise you that it was investigated by ministry staff and determined not to be feasible.

The second alternative that was put forth was the issue of special legislation. That matter is still being considered by ministry staff. It's presently under review, and we expect to have a decision on that in the near future.

Mr McLean: How near is the future you're talking about?

Mr Williams: In terms of a decision on the special legislation?

Mr McLean: Yes.

Mr Williams: We hope to be able to present a position to senior ministry management and the minister in the next couple of months.

Mr McLean: Would that be in the form of a type of bill, or just some of your recommendations that you see would be appropriate for the interest at that time?

Hon Mr Wildman: Obviously Mr Williams and staff will make the recommendations to the senior staff; then I will consider them and make a decision on behalf of the ministry.

Mr McLean: He will make the recommendations in two months; then your senior staff will look at them and determine whether they're going to present them to the minister or not.

Hon Mr Wildman: They will present them to the minister.

Mr McLean: The senior staff will present them to the minister.

Hon Mr Wildman: Yes.

Mr McLean: Are we looking at five to six years or two years?

Hon Mr Wildman: No, in a number of months. We hope to resolve this. That was the purpose of the meetings

we had. Mr Williams and his staff handled those meetings very well and we appreciated your involvement in those meetings and the commitment you had to resolving the issue.

It's quite true that this has been ongoing for a long time. We would like to have it resolved and certainly all of the property owners involved would like to have it resolved. We don't intend to stall this at all. We want to ensure we do it right but that we are able to resolve it as best possible in the interests of everyone involved as soon as we can.

Mr McLean: Within a year.

Hon Mr Wildman: Certainly, we hope that would be the case, yes.

Mr McLean: Good.

The Chair: Mr McLean, would you allow a supplementary?

Mr McLean: Yes.

The Chair: Could someone advise me just how much money within the current estimates has been budgeted for the process of dealing with the Rowntree Beach residents and/or legal costs associated with the ministry's involvement at this time?

Hon Mr Wildman: Mr Williams will be able to respond to that.

Mr Williams: Mr Chairman, I can tell you that in the matter of legal costs, the crown is paying the legal costs for the Rowntree Beach Association to defend its action, and those costs are budgeted at approximately \$100,000 per year. That is per the ministry fiscal year. The costs the ministry is incurring are costs of its classified staff to deal with the issue and also the Ministry of the Attorney General, which has assigned crown counsel to represent the ministry.

The Chair: So it's a combination of your current budget year allocation plus additional resources from the AG's office in order to conduct this suit.

Mr Williams: Yes, sir, that's correct.

Hon Mr Wildman: And we're paying the other side's costs.

The Chair: Yes, it's an intervenor funding type arrangement. No, I was pleased. Several of my constituents are affected and I've had occasion to read the detailed documentation. I certainly want to echo Mr McLean's concerns on their behalf.

Mr McLean: The other question I have, Mr Minister, and I don't know who's going to answer it, relates to the management plan for Lake Huron. This issue has been raised in the Legislature. I've made a statement, the member for Huron has also raised the issue in a question to you, and the concern is that the plan not be implemented in its draft form without public discussion. Can you give me an update on what's happening with the Lake Huron management study?

Hon Mr Wildman: No, but we took your comments and the comments of the member for Huron very seriously and obviously we would want to have proper public input.

I don't know whether we have anyone who can speak more specifically to what's happening.

Mr Brown: Just supplementary to that, is this the shoreline management? What exact plan are we talking about?

Mr McLean: The proposed shoreline management for Lake Huron.

Hon Mr Wildman: Yes, the shoreline management plan.

Mr Brown: Fine, thanks.

Hon Mr Wildman: We're proceeding with shoreline management planning along the whole Great Lakes but obviously we have to ensure there's proper consultation with municipalities, property owners and so on. If you'd like an update as to where we're at with the shoreline management plan, we can provide that to you in writing.

Mr McLean: I wonder if it would be possible for the manager of Huronia district to send a letter to the people affected in Tiny township, indicating to them the processes that seem to be in place now, so that they would have some assurances of whether they want to sell their property or—I mean, people are sitting there with a cloud over their heads. They really don't know what they should do, what their next move is or, as this person indicates, five to six years. Well, if it's one year or less, it would certainly sound a lot nicer to me. I wonder if the staff could—

Hon Mr Wildman: I'd like Mr Williams to respond, but I think, obviously, we must take the lead from legal counsel in this regard. Other than that, if Mr Williams wants to add in response.

Mr Williams: Thank you. One of the things we have been doing, Mr McLean, is discussing one-on-one with the area residents who have concerns. They come in and they deal with my staff on this and we've been trying to keep them abreast of developments. As well, I've had personal discussions with the reeve of the municipality to make sure they are updated on it.

As far as we believe, it's our understanding that the community realizes the trial is scheduled for this spring. We will be undertaking the examinations for discovery and hopefully have them completed some time this winter. That information is generally out in the community. I would be pleased to respond to any individuals who would come into the office with specific concerns around title of their property and give them the full story around the timing of the lawsuit.

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Mr McLean: Thank you. My short last question is this: On my expedition for my week off I was in a little restaurant in a little place called Plevna and they had placemats there, compliments of the Ministry of Natural Resources. They were laminated and they were pretty nice. As a matter of fact, I have one and I haven't got it with me. They had some nice pictures of tackles and lures on them.

Hon Mr Wildman: I hope you told the store you took it.

Mr McLean: My friend, I asked if I could have one. That's for sure.

The Chair: That's why I don't invite him over to my house for dinner any more.

Mr McLean: I would like to know what the cost was to the ministry to have them laminated and sent out to the restaurants in the province of Ontario.

Mr Tough: Were they sponsored? Was there advertising on them?

Mr McLean: Oh, yes, I presume it was probably the lures or something, but it said, "Compliments of the Ministry of Natural Resources."

Hon Mr Wildman: We can find out how that was done.

Mr McLean: I have a feeling they were sponsored.

The Chair: Sounds like a clever private sector cooperative venture to me. Mr Williams, thank you very much for being present today, and thank you, Minister, for inviting him.

Mr Gilles Bisson (Cochrane South): How much time does Mr Lessard need?

Mr Wayne Lessard (Windsor-Walkerville): A couple of minutes.

Mr Bisson: A couple of minutes. Okay.

I've got a number of questions to ask you. As I said the other day, there is probably no ministry in northern Ontario that affects northerners as much as Northern Development—the Ministry of Natural Resources—Northern Development, if you like, because we do things to help them but as far as—

Hon Mr Wildman: It's just because you're the parliamentary assistant.

The Chair: Just sit back and enjoy the dancing here, please.

Mr Bisson: Thank you very much, Mr Chair.

Moose tags, cottage lands, hunting issues and whatever are all issues that the people in the north feel strongly about. One of the things that's come up in my area—and I know reading papers around the province, it's also an issue in other places—is the whole question of overfishing, and I'll give you an example.

Lake Abitibi, part of my riding and part of Cochrane North, is a nice, beautiful lake up there that used to probably have some of the best pickerel fishing bar none around the province of Ontario. Over the years what's happened with the innovation of skidoos and people being able to get out to remote lakes such as they never were able to before is there's a huge amount of fish being taken out of those lakes in the winter.

There was one, I think it was somewhere around the Thames River, there was the same thing going on at the same time. I don't know if it's because of the winter issue, but I remember reading about it somewhere.

I know, talking to local ministry people, they feel somewhat frustrated because on the one hand the outfitters have their right to bring people in there—nobody wants to be out there trying to stop people from getting on a lake at one point—but has the ministry contemplated any way of trying to regulate fishing in areas like that that are somewhat sensitive at this point?

Hon Mr Wildman: You've actually raised two different issues. They're very different but they're also both very important.

There's no question that snowmobiles have made many bodies of water that were more remote and somewhat inaccessible easily accessible now in winter and, as a result, there is a lot greater pressure put on inland lakes than there might have been in the past.

It's a very difficult issue, as you would know, particularly if it relates to logging in the area where forest access roads have been constructed into an area where there weren't any roads before. Obviously then the snowmobiles can use the road right of way to access the lakes very easily. The local anglers, rod and gun clubs, local residents generally take the view that if a road has been constructed they should be able to use it.

On the other hand—and this does lead to overfishing in some cases and a great deal of pressure—we do creel census on lakes and we can put lower limits on what can be taken by an individual angler. We can also in some cases establish sanctuaries, actually close a lake to fishing. In other cases we can, as part of the timber management planning process, close the road. That doesn't prevent people from going in on snow machines, but they wouldn't be able to go in on the road right of way.

This is very controversial. In the past, I'm sure it was just a coincidence, but there seemed to be a number of flash floods that used to take place on roads that the ministry wanted to close, just coincidentally.

Mr Brown: Did you train the beavers?

Hon Mr Wildman: Anyway, the end result was a very, very deep trench across the road.

Mr Bisson: It's funny. Just on the road, nowhere else.

Hon Mr Wildman: In some cases, though, enterprising anglers, particularly if they were themselves bush operators, bûcherons, build bridges across those trenches. There are other cases where gates have been established, and this has been very, very controversial and caused a great deal of anguish. This is particularly a problem if a lake has got an outpost camp on the lake, where the tourist outfitter is paying a land use permit for a fly-in operation and suddenly this is accessible by snow machine or by vehicle.

In the past, we've been trying to work out a question of how we deal with these issues. My preference is to try to work out consensus agreements, if we can do that, through consultation in the local communities involving the forest companies, the tourist outfitters, if they're involved, the rod and gun clubs, the municipalities and so on to try to work out agreements.

These aren't always easy, because there are very diametrically opposed views held, but that's how we're trying to do it. In most cases it might be preferable if we looked at the question of posting roads for closure, if they must be closed, rather than putting up gates and so on, and perhaps designating that the road could not be used to access a particular designated tourist lake or a lake that has experienced overfishing, as opposed to closing out a whole area by closing off the road.

Mr Bisson: But I think the question of public education has a lot to do with what you can try to effect. Some of the suggestions I've heard from around the community are such as doing a public education campaign from the local MNR, talking about the overfishing in the winter on a lake like that. The other thing is possibly saying, let's limit the season to fish that lake in the winter. That's the other thing that's being talked about.

Hon Mr Wildman: The other proposal, as George has reminded me, is the option of catch and release, where someone can go in and have an angling experience but is not harming the fish stocks. There are all those options.

You talked about the Thames River. That's of course in southwestern Ontario, and it was referred to by my friend from Simcoe in his questioning. Moraviantown is a Delaware community, and it has had a long tradition for many, many years of fishing and taking substantial fish for the community use. That has been a difficult one.

I've had correspondence with the chief on this, and the chief has attempted to respond. There appear to be elements in the community, though, who are not as willing to respond to the concerns of the non-native community about its traditional use, because it is a tradition.

There have been accusations that this has caused overfishing. I, as a layman, have asked our biologists if fishing and spawning is in fact harming the stocks, and they say it's not easy to say yes or no to that. As a matter of fact, we've had a study done by a fisheries biologist in that area, and his assessment is that fishing by either natives or non-natives is not the main reason for the dwindling stocks, but rather habitat quality, the deterioration of the river, the water quality, is the reason for the declining fish stocks.

I've heard in the press about the seizure of a significant poundage of fish in the area. I want to emphasize I've heard about that in the press. I do not have anything to do with investigations or charges. In that particular case, as I understand it from the press, charges have not been laid as yet, but the investigation is ongoing.

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Ms Christel Haeck (St Catharines-Brock): I have two quick questions. First, I would like to hear Mr Tough's response to Mr McLean's question about the biologists.

Hon Mr Wildman: Accreditation.

Ms Haeck: Yes, accreditation.

Hon Mr Wildman: Credentialism.

Ms Haeck: Right. I was involved with Colleges and Universities at some time, so I am interested in what you have to say in that area.

Mr Tough: I very much appreciate the opportunity.

The Chair: If I might just suggest something here, my obligation as Chair is to get all the questions out.

Ms Haeck: Okay. If you want me to place my second one, I'd be very happy to.

The Chair: Yes, and if time remains, then we'll return to that, but Mr Bisson had an additional question, Mr Lessard has been waiting patiently, and since we are anticipating that written response, I would like to get new questions on the record.

Ms Haeck: The second one will be very short. Some people in my area are very concerned about wetlands. We have a major one in our area, in the Port Colborne area, and I know that is an issue. How are we, as a province, accumulating and saving wetlands in the province at the present time?

Hon Mr Wildman: Just on the wetlands, I indicated earlier in the estimates that we announced at the end of June a wetlands policy statement under section 3 of the Planning Act. Wetlands in southern Ontario have been classified. The class 1, 2 and 3 wetlands are protected under this policy statement. Municipalities and planning authorities have to take into account the policy statement in their planning processes.

In terms of the specific one that you raise, if you could give us the details of it after the estimates, we would be happy to respond to the specific one that is of particular interest to you.

Mr Lessard: My question is going to be very short. You may not have an answer today, but seeing as we have this opportunity to ask the minister questions, I know my colleagues from Windsor would be interested in what you might have to say about the Assumption seawall project on the Detroit River that we've been lobbying for since we were elected. It's a seawall that is required to protect some public parkland. I understand there's a sewer that runs through that park as well which may be threatened if there's further erosion in that park.

Hon Mr Wildman: Mr Cooke and Mr Dadamo have also raised this matter with me. As I understand it, we recognize there is a need for some capital expenditures on the seawall. We had hoped to be able to identify some funding for that and as yet we have not been able to, but I understand the need and I appreciate your bringing it forward. We would be happy to have some further discussions with you and your colleagues, and I'm sure we will have about this issue, to be able to see if we can respond to what is certainly a significant need. And a significant cost, I might add. What's the figure that Mr Dadamo gave us?

Interjection: Too large.

Mr Lessard: It's very high. Building seawalls on rivers is an expensive proposition. I understand that.

The Chair: Mr Bisson, you had a question that you wanted to put?

Mr Bisson: Just very quickly. One of the problems we're having is the question of adequate land being made available for cottagers around our area. I won't give you numbers, but there are quite a few. I would say probably 40 or 50 people have come to my office saying, "We're trying to get cottage land in order to build cottages up in our area." MNR is not making it available, for some reasons that are good and some reasons that sometimes I wonder about. This is forcing some people to build squatters' cabins, unregulated camping basically, without land use permits. They're just going and putting some things up, and that obviously inflames people.

Hon Mr Wildman: That sometimes inflames the cabin too if it's found.

Mr Bisson: Exactly. The point is, what can the MNR do? It would be a good thing for the local economy as far as the sale of local materials is concerned and tradespeople to build some of this stuff. It's obviously something people in our area want. What can be done?

Hon Mr Wildman: I'd like to answer that quickly, and I'll have some further discussions with you. Obviously, we have to do proper lake management planning because we don't want to allow for a lot development on a lake and find that it comes under significant pressure, such as Lake Simcoe has, which my friend raised in the estimates, and the question of phosphorus development, pollution of the lake and harming the fish stocks.

We have to take that into account and we only have a certain amount of money for such lake management planning, but I'd like to talk to you further about that. If there's any time left, Mr Chair, I'd like the deputy to respond, if he could, very quickly, to the question of credentialism. Do we have the time?

The Chair: Actually, I'll tell you, to be perfectly frank, I need some time to do the votes. I was about to compliment you and your ministry for what I have to say is one of the timeliest responses for questions. I want to commend your staff. We do not get that level of cooperation and support. If you can make that to your senior staff on behalf of this committee, I know all members will agree with me, especially those who are regular members of this committee.

Hon Mr Wildman: Thank you.

The Chair: But it should be noted because it has been exceptional and it is appreciated.

I'm not saying I understand all the content, but it was deeply appreciated because that does help this process and it's an important process. We thank you.

Minister, I'd like to reserve just a moment for you, and if Mr Brown wanted to say something, but I wish to proceed almost immediately to the votes. Although we have a bit of time left, by prior agreement we wish to call the votes in the matter of a minute or two.

Hon Mr Wildman: Okay. In that regard, we can respond to the question of credentialism by tabling some information with the committee, if that's acceptable.

I'd just like to express my thanks to the members of the committee, to my opposition critics, members of the opposition parties and the government party for their participation and their insightful questions and to express my thanks to the staff and also to express my thanks to you, the clerk and the staff of the committee for the way the estimates have been conducted.

The Chair: Thank you, Mr Minister.

Mr Brown: I'd like to thank the minister and the staff for their help and assistance in providing the information. I would echo the Chair's comments that having the information provided quickly is helpful to all members of the committee. I'm not certain, because I haven't had an opportunity to go through the answers, that we have all the responses, but if we don't, I'm sure the ministry will supply them at the earliest possible date.

Hon Mr Wildman: I'm sure you'll ask.

Mr Brown: I'm sure I will too.

The Chair: They will be circulated through the clerk to all members of the committee. As I indicated earlier then, the time for estimates by this committee is deemed to be completed. I'd like to proceed with the vote.

Shall vote 2901 carry? All those in favour? Opposed? Carried.

Shall vote 2902 be carried? All those in favour? Opposed, if any? Carried.

Shall vote 2903 be approved? All those in favour? Opposed, if any? Carried.

Shall the 1992-93 estimates of the Ministry of Natural Resources be reported to the House? All those in favour? Opposed, if any? Carried.

This estimates of the ministry are completed. I would like to declare a five-minute recess. This committee stands adjourned for five minutes.

The committee recessed at 1629 and resumed at 1638.

MINISTRY OF THE SOLICITOR GENERAL

The Chair: I'd like to reconvene and call to order the standing committee on estimates to begin the estimates of the Ministry of the Solicitor General. By way of preliminary information, in accordance with our standing rules, we are required to report to the House by the third Thursday of November and, as such, today represents our last day. Unfortunately, even though we've been assigned seven and a half hours to complete our estimates of this ministry, we were unable to gain the additional time requested by the committee from the government House leader.

For that reason we will proceed, and at 6 o'clock it would be the Chair's intention to call for the votes of this ministry so that we can report this ministry completed. In accordance with our standing orders, the minister has up to 30 minutes for his opening statement, if he chooses to use it as an opening statement, and then the Chair will recognize the official opposition, who will have up to 30 minutes. Mr Curling, you can use that time any way you see fit, sir. Then the final 30 minutes will be afforded to the third party.

If I might, by agreement, when I recognize the clock, if we can each have approximately 25 minutes, then we can complete by 6 o'clock. With that understanding, I would like to welcome the minister here to his estimates, and his deputy. Minister, we're in your hands. Please proceed.

Hon Allan Pilkey (Solicitor General): Thank you very much, Mr Chairman and members of the committee. I do have a prepared statement that I'd like to reference. It will represent my opening statement. As I say, thank you, I think, for the opportunity to be here to present the estimates on behalf of the Ministry of the Solicitor General for the fiscal year 1992-93.

The Ministry of the Solicitor General's primary goal is to enhance public safety and security in Ontario. The ministry, as you know, is the civilian authority for the Ontario Provincial Police. We also oversee all municipal and regional police services in the province. Through the office

of the fire marshal, we maintain standards for fire safety services province-wide. The office of the coroner determines the cause of death in unusual circumstances. The ministry also oversees forensic science and pathology services and coordinates emergency planning here in Ontario.

Before examining in some detail my ministry's agenda on all public safety issues, I want to take a few moments to address head-on a current issue of primary concern to me, my ministry and this government.

Maintenance of the highest possible level of public safety is of primary concern to this ministry. This government recognizes its responsibility to provide police with the tools, training and support required to do their job. Policing in the current Ontario environment is a very tough task. But the policing profession faces a myriad of challenges, both externally and internally. In my view, I'd like to say that police are doing a very admirable job. This government supports them in their task, as does, rightfully so, the Ontario public.

It is my role as Solicitor General and that of this government to provide constructive leadership which assists the institution of policing in its evolution and to meet the needs of the community which it serves.

This government recognizes that listening is a part of that leadership process. It is important that positive adaptations and changes to policing practices are made in an atmosphere of openness, trust, dialogue and consultation. But as we come to the end of this process, it must be fully understood that government has been elected to make laws and that police are hired to enforce those laws. To question this relationship even at the most basic level is, in my view, to erode a principle which is vital to our democracy.

Having said this, I want to clarify a few key points surrounding the current regulation on the use of force, specifically the requirements for reporting, which are of most immediate concern to police. The new section 12.5(1)(a) of regulation 790 calls for a member of a police force to submit a report whenever an officer "draws a handgun in the presence of a member of the public, excluding a member of the police force, while on duty, or discharges a firearm." I have said publicly, and the Premier has said publicly, that the report is not intended for disciplinary purposes. I am going to quote four points from those draft standards.

Firstly, "Use-of-force reports are collected and used only to identify individual and group training requirements or organizational use-of-force policy requirements."

Secondly, "Use-of-force reports shall not be introduced, quoted from, or in any way referred to during disciplinary proceedings."

Thirdly, "Use-of-force reports shall not be introduced, quoted from, or in any way referred to during considerations of promotion or job assignment."

Lastly, "No information from use-of-force reports shall be held in an officer's personnel file. It may be held in use-of-force training files."

I might add that we are currently reviewing, within the legal branch of my ministry, the possibility of including

provisions that would guarantee that reports filed by officers when they unholster guns would not be used against them.

These key points address what I understand to be the main concerns of police about this regulation, which will go into effect on January 1, 1993.

The ministry is working with the police community through the standards advisory committee to develop an acceptable, standardized form and detailed administrative standards.

There are a number of additional major benefits to both the police and the public, which I believe to be both progressive and beneficial.

Police, as you know, have a very special place in our democratic society and we give to them and convey to them very special powers. One of them is the authority to use force, including lethal force, in upholding the law. A high degree of civil accountability necessarily comes with this power. The public has the right to know that those vested with special powers are using the authority appropriately.

The legislation continues to provide police with clear direction and the legal authority to use force in certain circumstances. This protects the police from disciplinary action under the Police Services Act.

In the interests of officer safety, the legislation requires that less-than-lethal-force options must meet and be in accordance with technical standards that I, as minister, will establish.

The regulation also approves the use of aerosol weapons such as capsicum, often referred to as pepper spray, which expands an officer's ability to defuse a situation before it reaches the point where lethal force might be required.

There's also greater protection for police and public through enhanced training for police officers, both for new recruits and for officers doing in-service.

The use-of-force regulation is a good regulation. It balances the need of the police and the public and contributes to greater public and officer safety alike.

I would like to leave that area for a moment, if I may, and I'd like to speak now about the estimates that we have put forth for the fiscal year 1992-93 and to show you how these funds will help us meet our mission and our strategic directions and assist the government in meeting our identified priorities.

Of our total allocation of \$582 million, you will find that most of the funds go to payroll and associated operating costs for essential services. Funding in transfer payments is largely dedicated to assisting community sexual assault centres.

Of the total 1992-93 expenditure allocation of the \$582 million I mentioned, some \$134 million was previously authorized under a special warrant. The ministry operating expenditure allocation is \$577 million with another \$5 million allocated for capital expenditures, adding up to a total budget of some \$582 million.

The government of Ontario and the Ministry of the Solicitor General are committed to supporting the highest possible level of policing and public safety. To this end, the

ministry has allocated some \$498 million to policing for the fiscal year 1992-93, both in the policing services program and the Ontario Provincial Police.

The policing services program is responsible for promoting excellence in policing through training, development of professional standards and programs and for providing an advisory and liaison service to the police community. For 1992-93 a total of \$22 million has been set aside for operating funds for program administration, the Ontario Police College and policing standards and support services.

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Within the police services program, policing standards and support services have estimated their total operating costs at \$11 million. These funds will be used to develop professional standards on police conduct and procedures, design new programs, ensure the effectiveness of current programs and assess the adequacy of policing services across the province. Information and assistance with law enforcement is provided to the police community. A further \$1.6 million of capital funding have been provided to complete the acquisition and installation of digitally encrypted radios for the Criminal Intelligence Service Ontario to enhance criminal investigations.

Also within the police services program, the 1992-93 estimates for the Ontario Police College total nearly \$9 million. With these funds, we are providing a complete training program for all police services in Ontario, from probationary constables through to supervisory and management levels. This will ensure that all police personnel have the training required to deal with the multifaceted society in Ontario today. For the 1992-93 fiscal year, an estimated 17,500 student-weeks of police training will be provided.

The Ontario Provincial Police is our single largest program in the ministry. The OPP has estimated \$471 million for both operating expenditures and capital for the telecommunications system. With these funds the OPP provides uniform and impartial law enforcement in all areas of this province which are under its jurisdiction, and renders assistance and services, upon request, to other law enforcement agencies.

Capital expenditures for the OPP telecommunications system are estimated at \$2.5 million, and this funding will allow the OPP to investigate approximately 154,500 Criminal Code occurrences, 2,000 drug-related occurrences, 10,000-plus Criminal Code traffic occurrences and some 83,000 motor vehicle accidents.

In the area of public safety, our program of the ministry will spend some \$47 million. Coroners' and forensic services require \$25 million for their particular investigations. They investigate unexplained deaths and, if required, determine the cause of death and produce evidence in legally admissible form. They assist in the just and effective enforcement of the law by means of scientific examination, analysis, evaluation and interpretation of physical objects and materials. This funding will be used for a number of investigative activities, including an estimated 8,900 cases completed by the centre of forensic sciences, 31,000

coroners' investigations, 150 coroners' inquests and 1,400 autopsies.

The office of the fire marshal estimates total expenditures of some \$21 million for fire safety services. This program aims to prevent or at least minimize the loss of life or property from fire by coordinating, directing and advising on fire prevention, firefighting, training and fire investigation. They will conduct an estimated 1,750 investigations and will train 2,170 students this fiscal year.

As well, Emergency Planning Ontario requires just over \$1 million, and it will coordinate emergency planning activities in the province. As part of its activities, it plans to train 702 municipal officials in emergency preparedness.

To turn to ministry administration, I'm pleased to advise that of our total expenditures, some \$36 million is allocated to this particular function. There are a variety of activities that are covered there, including policy development and coordination, representation in cabinet committees and participation in programs shared with other ministries. They provide financial services and accommodation services. They provide human resources services and employment equity programs, as well as communication services, French-language services and freedom of information services. Additionally, they are involved in legal services and information technology.

An additional \$9 million is provided to the public through the ministry's community initiatives unit. Transfer payments go out to various agencies to fund services in a number of community programs. Sexual assault centres provide counselling to survivors of sexual assault, and staff also undertake educational and community forums.

Training for police who will be called upon to investigate sexual assault is also funded under this program. The wife assault prevention program provides a multitude of services to assist in the prevention of wife assault, including education. The victim assistance service program provides support to community groups in the development and operation of holistic crisis assistance services to victims of crime, tragic circumstances and disaster.

In conclusion then, the ministry is committed to crime prevention and to public safety programs and policies which respond to the needs of Ontario's communities. These objectives are achieved through fair policies and accessible services that reflect community needs and enhance community justice.

The ministry is committed to partnerships with the private and public sectors and with municipalities. We are responding to the changing needs of society through prevention and community-based programs.

We have identified strategies to help us implement our agenda, and these are through community policing, race relations and employment equity, victim services, implementation of the Police Services Act, training, first nations public safety and, of course, technology.

I am mindful of the fact that we do not operate just within our own doors. We must ask ourselves as well, how are we meeting the government's agenda? I'd like to say that we are contributing to regional and rural renewal through a decision to relocate the Ontario Provincial Police

general headquarters and the administration division of the ministry to Orillia. As well, the ministry is participating in the discussions on disentanglement with respect to the Ministry of Municipal Affairs and the Association of Municipalities of Ontario through their representatives.

We play a key role in the implementation of the Stephen Lewis recommendations, and we recently announced the establishment of a Race Relations and Policing Monitoring Audit Board. This particular board will help develop race relations audit standards, provide support for police services and ensure that progress is being made in improving the relationship between police and minority communities.

We also announced the transfer of the special investigations unit to the Ministry of the Attorney General as an arm's-length agency. A change was announced in the role of the Police Complaints Board, as well as requiring the agency to conduct initial investigations of all complaints of racial discrimination on the part of police.

With respect to the special investigations unit, I am pleased to advise as well that that particular unit has been resourced in a much stronger way than it had previously, and I'm sure that will be of great benefit to that particular unit as it moves to its new location with the Ministry of the Attorney General.

Consultations have been completed by my ministry on police education requirements following the release in September of the final report of the strategic planning committee on police training and education. As you may know, the government announced a Commission on Race Relations in Criminal Justice to study and make recommendations on a wide range of issues, including the implementation of community policing and preventing systemic racism through the selection, education, training, promotion and discipline of decision-makers in the criminal justice system.

1700

As well, violence against women, children and the vulnerable has been firmly established as a priority for this government. Our ministry plays a lead role in this area with funding we provide to assist victims of family violence, sexual assault and other crime and tragic circumstances.

The ministry also is pleased to be assisting the government in meeting our aboriginal agenda in a variety of ways. First, the first nations policing is a priority with the Ontario Provincial Police. We continue to support first nations self-policing through tripartite negotiations on the development of new first nations policing arrangements in the province of Ontario. We are increasing the number of first nation constables receiving training, and we are striving for enhanced public safety in fire and emergency planning services to first nations as well.

Mr Chairman, this, I hope, provides some general overview and insight into the 1992-93 estimates of the Ministry of the Solicitor General. I thank yourself and the members of the committee for allowing the opportunity and perhaps I can assist the committee members in responding to questions that they may have of the estimates.

The Chair: Thank you, Mr Minister. Mr Curling.

Mr Alvin Curling (Scarborough North): I thank the Solicitor General for making his presentation. I must express, though, my disappointment in the time frame that an important area of this government like policing and public safety—we're just given—not given, but it seemed to have worked out for only half an hour, 25 minutes, of response and questions. I would say this has been one of the most hotly debated ministries, and ministers, in the last two years. It's unfortunate that only that time will be allowed.

The Chair: Mr Curling, I don't wish to interrupt you, but I should suggest to you, sir, that the selection of the ministries is done by the committee, so if it was not deemed to be a priority, it was deemed not to be a priority by all three parties until it got to this rank, and we have in fact run out of time.

Just for the record, I appreciate your point, but I felt it important; the process is one that each of the three political parties chooses its ministries, and this is, I believe, the 10th out of 14 ministries in the selection for this year. I just wanted to put that on the record as well.

Mr Curling: I understand all that, Mr Chairman, but the point has got to be made, because it is an issue that has to be addressed, and I had hoped at some length. Maybe if it was a priority, seven and a half hours would have been dealt to this. However, we have 25 minutes to do so.

I'm sure the Solicitor General is quite aware, having read the mandate and his responsibility—and I'm sure he takes his responsibility quite seriously—we have seen over the last couple of years that crime has increased immensely, especially in the Metro area. There's a great demand of policing that's required by the government and by the police.

We've also seen not only that it is a matter of the Metro area, but in the rural communities, that policing demands are needed. We've seen also a tremendous underfunding of policing in those areas, and the cry will be for more.

We've also seen in the couple of years that the police force is being demoralized, and there seems to be an alienation between the police and the government, the police and the community. I'm not here to lodge any complaint or to lay a complaint to anyone, but to make it emphatic that this is happening and it is causing tremendous concern in the community. I hope the Solicitor General will find some way in which to bring about a better relationship with the police, because the communities themselves are rather concerned and they need good policing.

The police confidence in the ability of the Solicitor General has been somehow—they feel that he has mismanaged the situation, and I want to put on record that I believe that the Solicitor General is trying his best. I'm not quite sure if that best itself is helping out. It's a difficult task. In our regime as the Liberal government, we have seen three different solicitors general, so I know the challenge that you have ahead. I want to put on record too that my party is prepared to assist in whatever way to make sure that we have the best type of policing in this community.

The mandate that you had expressed, Mr Solicitor General, of course, on public safety goes beyond policing in Metropolitan Toronto. We have seen somehow that a lot of time has been wasted; I would say wasted on issues like—and I call it Sunday shopping. A lot of energy has been wasted there. At one stage, you know that your government tried its best to say there should be no Sunday shopping. It comes under your jurisdiction. Then, at the end, you succumb to it by saying, "Yes, we will have Sunday shopping." I just wondered if those types of energies could have been better used.

I was just going to try to raise a couple of areas for discussion, just raise them and later on maybe some time, maybe in the House, you will take these under advisement and understand the concerns that we have.

The SIU, the special investigations unit: Osler, your former chairman, had criticized the inadequate resources to conduct independent investigations in the past, which has continued to remain a valid point in that the resources are not there. There are many questions about the quality of investigations that the unit is able to carry out, and I cite one case, for instance, the one in Ottawa, the Gardiner case, in which investigators have never been interviewed and have never interviewed the victim, not that I'm aware of. I wonder what type of investigation could be conducted without the victim being interviewed.

Another case that came to my attention: The investigators report that the victim had been shot in the chest, despite the fact that the pathologist's report indicated that the victim had been shot in the back. Also, the length of time the investigation had taken.

I'm just saying some of these things are so inadequate. Maybe these investigators need to be trained. The point was made about proper training for these investigators. We know, of course, that these investigators are former police officers. But we also know that the community has changed dramatically, so that the investigation has to be more sophisticated, and we fear their lack of funds with which to train those investigators. I think your ministry needs to look very closely at that.

We of course have seen that and we know that we have approximately 22,000 police officers, and the population of this province is approximately 10 million people. Maybe we should have some sort of comparison saying that if we have investigators, it should equate somehow with the type of population that we have. There are inadequate investigators within that area.

1710

Another area I'd like to bring, to point to is the forensic sciences centre. You and I know about the tremendous amount of backlog that remains, and there is a very serious issue which in some cases may be having an impact in regard to investigations and also prosecutions. I'm sure some officers must be saying to themselves, "What's the use in bringing evidence forward if it's never going to be dealt with?" Yet, Mr Minister, your ministry appears to have made very dramatic cuts in that coroners' and forensic services budget. I think the action really baffles me but is not quite surprising itself.

Furthermore, we have yet to hear you respond to the questions which have been raised about the way in which the centre handles evidence in cases where HIV may be an issue. An especially blatant example of this was the delay in dealing with evidence because of the victim's sexual orientation, and the Gligor case in Kitchener-Waterloo comes to mind.

Another area: the review of the tactical units. As a matter of fact, we have heard nothing from your ministry in response to this important public safety issue. Indeed, as late as this past summer, your ministry said the Solicitor General had not even read the report. I hope you've had some time. The report is not a very large report. As a matter of fact, I think it's about 72 pages long. One of the worst things to happen to anyone is if one is too busy to do one's job. In the meantime there have been other tragic incidents, and you may address that issue in getting to that report and be able to respond to those recommendations.

You mentioned police training. Your response to this issue has been an example of too little, too late. The Solicitor General's view: Sir, if you had acted earlier, it is possible that the recent tragic shooting of the diagnosed schizophrenic could have been avoided. I'm speaking of the Sabatino case. Police have raised that. As a matter of fact, this is not the only case where it happened in that instance; I think training would have helped, and cooperation in other areas could have helped this situation. They're inadequate to deal with those instances, and I'm sure training could be helpful.

No matter what kinds of standards the Solicitor General has announced, the fact remains that municipalities, which would be required to pay the bulk of the costs of training, may not be able to afford to really effect the kind of police training that is needed. I'd like to know what guarantee you could give, sir, that the new training measures will be implemented.

The time frames for the implementation of the measures announced by you are unrealistic and the provincial support is inadequate. I gather you will spend \$5.6 million to train 22,000 police officers. When I work that out, it's roughly about \$450 per officer.

Coming from my background in community college and understanding about training and costs, this is completely inadequate. I think more has got to be given in that area and I don't know how far that \$450 will go. Furthermore, it should be noted that you have actually reduced the budget of the Ontario Police College. How this will help training really remains to be seen.

It would be instructive to note that although spending in the policing services program has been cut by over \$1 million—and this one really baffles me and maybe the deputy is in a better position to tell me how this would come about—the spending on the program administration bureaucracy appears to have been actually increased by \$0.5 million. We reduce the work in the program and we increase the bureaucracy costs. Maybe we're paying some highly paid bureaucrats in there; I don't know. Compare this to the nearly \$1.5 million cut from the police college and the police standards and support services.

I think the ministry needs to ensure and upgrade the emergency dispatchers, particularly in the rural areas. I don't need to cite examples to you. You have seen some of the instances that happen, that people who are poorly trained have done some awful jobs there because of lack of training. Training is an important part here.

An area that I feel has been neglected over the years is fire services and the Fire Services Review Committee. I'd like to ask, when will you take some action and get on with this vital review? It's been there a long time. I know you will respond and say that it was there and the previous government was working and all this, but that is no excuse itself. We must get on with it. Further delays, I would say, do nothing to enhance public safety.

Firefighters, fire department chiefs and municipalities are anxiously waiting to hear from you. They have visited my office and they've shown concerns about this and they would like you to get on with that so we can settle that matter. As a matter of fact, many people in the rural areas are extremely concerned.

I would like to know too, when are you going to come about and bring in some real initiatives concerning volunteer firefighters, and addressing the community needs for the communities across the province. Many of these brave people have contributed their time and money in order to protect and have safety for the community. I would say that the assistance of the governments—I would even go as far as to even say present and past—has not been adequate. They have tried in many ways to get assistance.

When I was the Minister of Skills Development, they were seeking funds for training, which of course in one respect was about training in my ministry, but the fact is that it is under the jurisdiction of the Solicitor General and I hope this area should be addressed and could be addressed immediately.

You mention also about the sexual assault centres, the rape crisis centres. I don't know if you're aware of the temporary closing of centres as a result of ministry investigations. My concern here is that the ministry must find ways to ensure that communities are not deprived of these services during these periods because the communities looked in the past and celebrated the fact that it was there as a service, and now it is closed. I think the lack of service there could really jeopardize some people's health and lives.

1720

The Timmins centre, as you know, was closed three months ago. The Ottawa Rape Crisis Centre, as you know, is also in trouble now. I want to know what you will be doing in order to get those areas working again and settling the disputes there.

You mentioned in your remarks about the auditing and monitoring board. You have made the announcements. I'd like to know where the money will be coming from. What will this new level of bureaucracy do to improve race relations that the existing unit cannot do? I'm scared about all these duplications around the place, in governments. If we find one area that is not working, it seems to be much easier to rename another place, find another new bureaucracy, and then it could put some new life in the people and

expectations and gradually nothing is done. In giving hope to people, I'm not quite sure that it's going to achieve what the others were set out to do, and now this new board, a new unit is set up to do.

If you're not really prepared to create the fully independent body that Mr Lewis called for, whatever its merits, simply renaming a branch of your ministry is not enough. It's not a worthwhile way and I don't think it will actually be effective.

It almost reminds me of the Ontario Human Rights Commission and the Employment Equity Commission. Many of the things that could be addressed through there are now a great expectation through the employment equity. Therefore, if we get the bureaucracy that is in place to do its job, maybe we can get some results.

There are some other areas. I said I would have taken this opportunity to ask you many questions. Hopefully, some of the comments I make will be such that you can look into them, rather than asking you questions and you responding in 10 or 15 minutes to one of my questions, and I would lose the opportunity to give the rest of the comments.

The false alarm legislation is overdue and I think we should get on it immediately. The Solicitor General has not explained how he will ensure that the police services boards will be able to continue to do what they were intended to do when this government carries out its commitment to give control of police budgets to local municipal councils. Areas of waterways policing concerns have not been addressed by you, Mr Minister. Delays in the police board appointments remain a problem. I don't know what strategy that is. We have many, many outstanding citizens who'd like to serve and I hope that you use those individuals.

Mr Robert W. Runciman (Leeds-Grenville): You have trouble getting people to admit they're members of the NDP.

Mr Curling: As my colleague said, I don't know if you are selected in a particular way in putting people on those boards, but I have many, many Liberals, if that's the case, who are anxious, and I'm sure I have some Conservative friends who'd like to serve, but outstanding citizens. I'm sure if you are having difficulty finding adequate NDP members, that's not our concern or the committee's concern, that's your concern, but I think you must fill those appointments there.

There are cutbacks that we have looked at. I just want to put it on record and I want you to know and I'm quite capable, Chairman, and I want the public to know about grants to the Ontario Society for the Prevention of Cruelty to Animals. There were cutbacks in that area, an area that is under your responsibility. There are grants for fire prevention; a number of cutbacks there, as a matter of fact, a significant cutback. Grants for emergency operations: I think you said something like \$1 million is for emergency operations. Maybe we believe that we are like the Titanic, that we'll never sink, but when the disaster occurs, I'm sure that we'll be found wanting in that area.

Grants for the police association—I think an important association—have also been cut back; and this one grabs me, Mr Minister, because your government expounds the virtues of looking after the most vulnerable etc, grants to the Ontario Native Council on Justice, a cutback there. Maybe you could somehow explain to me why the area that is in great need is now having cutbacks. Maybe later on, cutting them back and giving them back in drips would be something that people may feel, "Wow, we have been looked after."

Grants for the Council on Race Relations and Policing—they have all, as I've said, been reduced in their grants. I don't know what your strategy is. These are areas that would need the support of government.

In 1992, grants for victims' services totalled \$1.2 million, and this year your ministry expects to spend a pittance of \$528,000 on grants to community victim projects. I think it's a shameful decline.

The other area, as I said, that your government holds so holy, grants for employment equity have gone up to \$250,000 from last year, a pittance of \$6,000. The amount of it does not nearly reflect the cost to municipal police forces of implementing this important program.

In some ways, Mr Chairman, I think that the ministry itself lacks leadership. It is evident in the way that it deals with its employees, the police officers; it's evident in how it conducted its consultation with the groups. Because all must be heard.

Yes, the police officers, if we go back, are employees of the government who must implement the legislation that government puts in place, but again you have advocated very strongly about how we treat employees, and somehow there's some mistrust happening.

This one is very serious because it has implications in the community. It has implications with governments, and even long after you're gone, Mr Solicitor General, there are other governments that will be in place and another Solicitor General in place who will have to work with police officers. I urge you to conduct that type of negotiation and consultation in a manner that is seen to be fair to all.

I'm not happy with the state that we're in now. I know my time has run out, but I hope that during the time in the House, we have some questions to you, and maybe some questions I raised here will be answered. Thank you.

The Chair: Thank you, Mr Curling. In fact the ministry is responsible for providing the written responses for any questions that are tabled during the time allotted. That is our custom and our practice, and since you did present your time in the form of many questions, it's understood that those will be circulated to the clerk, who in turn will circulate them to all members of the committee. Just so you're aware that those questions you posed will be treated as such by the minister and his staff and there's no problem with that.

Mr Runciman, you have up to 30 minutes. I do need two or three minutes in order to conduct the votes at 6 o'clock.

1730

Mr Runciman: Just on a question of clarification, Mr Chairman, if I pose a number of questions—for example, you've given me 30 minutes and I ask questions for only 10 of those—the remainder is available for the Solicitor General to respond to those questions. Is that how it works?

The Chair: It is entirely your half-hour, as you wish to use it. You can use it as Mr Curling has or engage the minister or any of the minister's staff, if you so choose, and you can, if you have written questions, submit them through the Chair before the vote.

Mr Runciman: Yes, I do have some.

The Chair: That will be deemed to form part of the estimates process.

Mr Runciman: I have some written questions which I'm sure we won't have time to get around to. I hope I can engage the minister in a bit of dialogue in any event.

The Chair: I'm in your hands, Mr Runciman.

Mr Runciman: I want to devote most of my discussion and questions really towards the situation that currently exists in respect of the relationship between police officers in this province and the current government. I think it's been described by many people as a crisis. I'm not sure that's the case, although I think it could certainly become a crisis given the state of the relationship. I know the police association is meeting in Stratford, I believe it is, today and tomorrow, so we're not at this juncture really certain what further action may be taken in respect of expressing its disagreement with the government and the regulatory changes it's proposing.

I think it goes well beyond that. I think it's essentially the attitude of the government, as it perceives it to be, in any event. Whether that's an accurate assessment or not, I think it's certainly widely held within the police community that this government is, to be polite, less than supportive of policemen and policewomen and the job they have to do for all of us out in the community. We can talk about the regulatory changes and the way you've approached this, and then I want to get into some other matters as well.

I met with Mr Morrison of the police association yesterday and we talked about relationships with past governments, Conservative and Liberal. Obviously the policing authorities didn't always agree with initiatives undertaken by past governments, but they felt they had a voice in the process. They feel extremely frustrated in respect of this process and of course, Minister, as you are well aware, very much offended by the last meeting that occurred where I think most of the players were led to believe that there were going to be serious and substantive negotiations undertaken, that there was some flexibility there on the part of the government.

Again, and I'm sure you'll have a response to counter this, their view of it was that in fact this was something where indeed you referred to a prepared statement which you read from, there was a press release issued during the middle of the meeting, and frequently when questions were posed to you you seemed to be looking for direction from a member of the Premier's staff.

They believe they were led down the garden path, that this was more or less a media public relations exercise, that nothing meaningful was going to come out of it and that it was going to give you an opportunity to perhaps stomp on the Hamilton police association executive director or whoever and really not accomplish anything other than perhaps deepen the rift that is already pretty deep.

My leader and myself have raised these issues in the House in terms of the process that occurred in respect of this change. Certainly the Metro association has raised this as a health and safety issue in terms of the one requirement about filing a report when you unholster a weapon. They see it as a health and safety issue, and certainly, talking to a lot of front-line officers, I can share their concerns about the stresses they're under on a daily basis.

I was talking to officers from 51 Division in Metro yesterday. There's something like 50 officers in that division. Talking about day shift alone, they're drawing their weapons on an average of two times per shift per officer. That's in 51 Division on a day shift, without mentioning a night shift. So they're under significant stress and pressures.

Mr Chairman, I'm not sure you or I can really feel that by travelling with an officer on a shift, but I've encouraged you to do this and I guess you've indicated to the media that at some point you're going to do it. At this stage, when you're bringing in regulations that are so distressful to police officers, I think it would have been in the best interests of all if you'd made a trip or two prior to bringing in those regulatory changes. I equate this to your being a farmer for a year and never going out into the barnyard.

One of the situations that was related to me—you are refusing to allow police to modernize their equipment—was that getting these revolvers out of their holsters is a difficult matter. When they do get them out, there's a problem with these in the sense that getting your initial grip on this revolver is not as secure as it should be. You cannot be certain of the aim, if you will, or certain of a shot, because of this initial grip. It takes them another second or two to get an adequate grip so they can feel comfortable and confident about the revolver in their hands.

In most instances, when they're going into a difficult situation or a potentially difficult situation, they feel much more comfortable having that revolver unholstered, in their hands and in a secure grip situation than going in and worrying about Big Brother looking over their shoulders and second-guessing every move they may or may not make.

I'm very much concerned about this initiative, the lack of consultation and the whole process. I'm also concerned about the general message that is being sent out to police officers in this province.

I'd certainly like to hear your comments, Mr Minister, in respect to things that have been said, not by you—I think when you've made comments in respect to police, by and large they've been supportive, but there are others in your party who have made some very negative comments and I think they've had an important negative impact on police officers.

Your Premier made a comment, after coming out of a rapidly called meeting with a number of interest groups in this city, that there's a disturbing pattern of violence against blacks, specifically in the Metro Toronto area. There is no statistical evidence to back that up. Certainly, the inference was drawn by many police officers and others in the community that this was a smear against police officers without anything to substantiate it. I'd certainly like to hear your comments in respect to the Premier's comment.

The other one that has generated a great deal of discussion is the comment made by the parliamentary assistant to the Premier, Ms Akande, when in the view of most, she labelled police as racists and killers of black youth at a youth employment panel discussion. I've raised a concern about those comments, and I think others in the Liberal Party have raised it as well, and the Premier's reaction to those comments when he praised the contribution Ms Akande has made with regard to youth employment and improving the condition of all backgrounds and races in this province.

Of course, that has no relation whatsoever to the questions that have been asked. Her record isn't in question. What is questionable are her statements about police officers, made not only as a member of the Legislature but as a parliamentary assistant to the Premier of this province, and the impact they had. As I've said in the past, instead of distancing himself from those comments, the Premier attempted to defend the indefensible.

I'd certainly like to know, Minister, how you personally view the comments of the parliamentary assistant to the Premier. Do you support those comments? Do you think they were out of place? Do you think they were unfortunate? Do you disagree with them? I'd certainly request your view, on the record, of Ms Akande's view of police officers in this province.

I want to ask you as well, Mr Minister, with respect to getting out of this quandary you face. I'm not sure you want to, although I'm sure politically you must want to, because the pressure is going to increase, it's not going to decrease. There doesn't seem to be any middle ground out there.

One of the things police authorities have been asking of you is the whole idea of putting the regulatory changes on hold pending a new review of the proposals. This could be done perhaps by a select committee of the Legislature or it could be done by a broad-based committee of citizens representing all interests in the community, including front-line police officers, and putting those regulatory changes on hold until such a committee, either of this Legislature or a public committee or a special task force, however you wish to describe it and formulate it, could review and meet with a host of people and come in with recommendations perhaps no later than mid-1993. Police have indicated to you that they're prepared to live with the outcome of such a review if indeed the makeup of the task force is fair and reasonable.

1740

They're prepared to live with whatever recommendations come out of that kind of task force or committee. You have, as I understand it, dismissed that out of hand. Of

course the police have also indicated that if you move on that proposal, they're also prepared to certainly put on hold any possible job action that they may be contemplating, or in some instances have already committed themselves to. So again, I'd certainly like to hear your views in respect to those matters.

I think it is indeed a regrettable situation that currently exists, an unfortunate one and one that did not have to occur. I think police officers in this province, by and large, are good people who care about their community and care deeply about the job they're doing for all of us.

There's no doubt there are a few bad apples in every barrel and we have to do whatever we can to weed those people out. I think these sorts of draconian measures, offensive gestures and words and smear tactics that have been utilized without considerable thought, obviously, and then defended by the leader of the government have done significant if not irreparable damage in terms of the relationship between this government and police.

I guess at this stage, Minister, we've got about 15 minutes or so. I'd perhaps like to hear some responses from you in the time allotted and then maybe I can respond to your comments.

Hon Mr Pilkey: As I said at the beginning, there's certainly been a degree of consternation raised by the police associations with respect to the regulation. Regrettably, the question is sort of focused on the reporting element of it. The reason I say this is regrettable is because there was quite a lot of the regulation, as a matter of fact, probably almost the whole balance of the regulation, which included the centre pieces of the reg, that really was agreed to. So I guess what I'm really saying is that it seems to me there was more agreed to than disagreed with.

I say that because at the centre of the regulation was additional training. I believe everyone involved in the process agreed with that. It was, as I indicated in my preliminary remarks, to do with recruit training and in-service training. I think there is general agreement that it would be a benefit to all our officers presently in the field or who will become officers.

We also talked about less-than-lethal use of force where the police representatives had urged for some time—and I believe Mr Curling was referencing that in his remarks—that the ministry adopt a standard with respect to the use of capicum or pepper spray, certainly not to replace guns or lethal force, because there are times and there are circumstances, of course, in which lethal force should be used for the protection of an officer or that officer's partner or the general public. As I've commented before, if lethal force is required to be used and should be used, people are trained to use it and they should proceed.

Capsicum represents a less-than-lethal force in areas where something else will do the job, and police urge to have that in their toolkit as well for those circumstances and we agreed to that. There was a question of not allowing the choke-hold to be used any further, and I don't think there was particular disagreement with that either.

In consultations previously, we also had talked about political activity rights for police officers, which I admit is

outside this particular regulation. There was general agreement on that as well.

Regrettably, though, there is a bit of a stalemate with respect to reporting. The government sees that as an appropriate tool in gathering statistical information and trends as any company or business would. I'm sure everyone would like to know what its branches are doing, in effect, so that information can be gathered and used for policy development or adoption of new training procedures to know exactly what is happening, what the circumstances are and how new policies and procedures can be fashioned to better suit the safety of the officer and the public.

This regulation, however, raised concerns and police had said: "We're afraid that you are going to use those reports for discipline and we're afraid that someone may come back and comb through our file because you might put this on our personnel file. Someone will comb through that after some speculative occasion perhaps where an occurrence occurred and someone would go back and try to make something out of the fact that an officer had drawn a weapon X times."

Mr Runciman: On a point of order, Mr Chairman: We're using up time. I appreciate what the Solicitor General is trying to offer with respect to his views, but in terms of its being our time, perhaps I would be better off to ask specific questions and get specific responses, if that's appropriate. Since this is my time—

The Chair: It is. Please proceed.

Mr Runciman: I'll ask three questions about the regulations then.

I asked you a specific question in the body of questions I was mentioning about the proposal which seems to be acceptable to police officers about the formation of a new task force or a new grouping of people. I'm not sure specifically what would be acceptable, but indeed they have suggested that front-line police officers should be involved. Why are you not prepared to put these regulations on change, form this sort of a committee and, as the police have said, live with the results of it? Why are you reluctant to do that?

Hon Mr Pilkey: The reason we're reluctant to do that is that the government has for some time undertaken consultations and received input and views from police stakeholder groups. In addition to that, we've received input and reaction from a committee we formed on public and officer safety, which reviewed the draft regulation and provided comments on it.

Of course, the government, having benefit of all of those inputs, reviewed those considerations and processed the matter through the normal government bodies and adopted a position and brought forward a regulation which it thought was fair and reasonable and covered a variety of areas, including when force should be used. It talked about lethal force, about non-lethal force, about training, accountability and all of those things. As I say, by and large, I think it's agreed. Most of the regulation is agreed to.

Given that there's one that isn't agreed to, I think that's unfortunate, and there's a disagreement in terms of viewer perspective with respect to that, but I believe we feel that

the consultations were undertaken, the regulation brought into the House, passed and will be implemented on January 1.

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Mr Runciman: In short, what you're saying is you feel there's been adequate consultation. I guess, just as an editorial comment, obviously I don't share that view and police officers right across this province don't share that view. This is an unprecedented situation. I'm sure you recognize that. We don't know what's going to come out of the meeting today and tomorrow, but it's obvious that this stalemate is going to continue to exist unless somebody blinks.

I don't think there's any loss of face in this by establishing a committee which both of you can agree upon in terms of the makeup. Then both of you can accept the fact that we're going to live with the results of that. That's certainly been the indication.

My next question—

Hon Mr Pilkey: Just if I could add there, I'm not trying to be controversial at all, but I think the other telling thing about this, in addition to what I've already commented, is that it's interesting to note—and I think it's a valid question for those police forces here in Ontario and in other Canadian places or US places that voluntarily have already adopted this form of reporting or some variation thereof—that I'm unaware that there have been any problems or any difficulties in its actual use. All the comments I have heard or seen quoted in the media from chiefs or individual officers are that they can't understand what all the fuss is about.

Mr Runciman: On that basis, you shouldn't be nervous about establishing a committee and delaying this for another six months. That's my point. If you're so confident that this is not going to create difficulties, why not put it on hold for a maximum of six months and take another look at it with what all sides can feel is appropriate input?

I know the police have indicated to me too that they're prepared to live with this on the basis of the fact that there be no names attached to these reports, that they'd simply be reports filed. That's one of the things that's been tossed out in the mix of the discussion anyway, and your people have come back and said that's not acceptable because you think this is going to indicate the officers who may need additional training.

Of course, that sets off a lot of warning bells with police officers as well, and you've said these are not going to be used for discipline, but I understand that these reports are still going to be subpoenaable and that they're still going to be available to the special investigations unit, so they can still create difficulties and concerns for police officers, as you can see.

Hon Mr Pilkey: Yes, but surely you're not saying if there was a criminal activity or charge that records shouldn't be available to the proper authorities, are you?

Mr Runciman: I'm not saying that at all. I'm saying police officers are afraid these are going to be misused and

will jeopardize their careers, opportunities for promotion, a whole host of reasons, and you're saying—

Hon Mr Pilkey: I agree with you that they have those concerns. As I was saying earlier, and I'll try to speed it up because there isn't much time, that's why in the meeting where allegedly it was suggested it wasn't of value, we said it won't be used for discipline.

The Chair: I'm sorry, Mr Minister, I must interrupt you in order to achieve a vote at this time. Mr Runciman, if you'd like to sum up in one minute, we're called to the House and I must conduct a vote.

Mr Runciman: I want to table these questions and I also want to ask the Solicitor General for a quick response to my question, does he support the parliamentary assistant's comments in respect to police officers, yes or no?

The Chair: Minister?

Mr Runciman: Without equivocation.

Hon Mr Pilkey: I guess I might be responsible in part for the comments of my parliamentary assistant, but I'm sorry that individual does not report to me and I wouldn't purport to be able to give comment with respect to the matter.

Mr Runciman: I would think that silence in a matter as important as this—you're supposed to be the advocate in many ways for police officers, the person they count on around the cabinet table. Here you have someone making a statement like that, a colleague of yours, and apparently you do not have the intestinal fortitude to say, "This woman was wrong and I want to simply distance myself from any of those kinds of comments because I believe, personally, that police officers by and large are good people trying to do a damned good job for all of us." You should have the guts to say that right now.

Hon Mr Pilkey: I do say that.

Mr Runciman: So distance yourself from her comments. Don't stand there and say you're going to be silent on them. It's terrible; it's an endorsement.

Interjection: Calm down.

Interjection: Relax.

The Chair: Order, please.

Mr Runciman: Why don't you tell the police officers across the province to calm down about this? It's a serious matter. You go out and talk to them in your riding, Bob, and you'll find out. You'll hear about them and you'll hear more from them.

Interjections.

The Chair: Please, come to order. It is regrettable, but it has been noted that we do not have sufficient time to complete these estimates. Perhaps it would have been helpful to all sides of this debate if we'd had that time.

However, as I said, the government House leader has not seen fit to extend the time. I would therefore like to proceed, by agreement, with the vote on this ministry, if it is your wish.

Mr Bisson: Proceed.

The Chair: Then we shall proceed with the votes. Shall vote 3701 be approved? All those in favour? Opposed, if any? Carried.

Shall vote 3702 be approved? All those in favour? Opposed, if any? Carried.

Shall vote 3703 be approved? All those in favour? Opposed, if any? Carried.

Shall vote 3704 be approved? All those in favour? Opposed, if any? Carried.

That completes the votes in the estimates for the Ministry of the Solicitor General.

Shall the estimates of the 1992-93 estimates of the Solicitor General be reported to the House?

Mr Runciman: I have—

The Chair: Slow down. It hasn't been moved yet. I was just in mid-sentence, Mr Runciman. You had a point of order?

Mr Runciman: I have a request for a recorded vote.

The Chair: Fine. All those in favour?

Mr Runciman: Don't we have any discussion on the motion? Is it out of order?

The Chair: Not when we only have three minutes left. The standing rules tell us we can't sit beyond three minutes, Mr Runciman, so unfortunately I can only record the vote. All those in favour?

Ayes

Bisson, Cooper, Frankford, Haeck, Lessard, Rizzo.

Mr Runciman: I'm voting no because a yes is an endorsement of the current difficulties.

Nays

Curling, Eddy, Runciman.

The Chair: The motion is carried.

Mr Bisson: I'd like to thank our Chair for a job well done over the course of estimates.

The Chair: I wouldn't go that far. I failed miserably to convince the House leader that we deserved appropriate time, but we'll give it another stab in the spring with the new budget. I want to thank the members of the committee. This actually in fact completes our work. We will report this to the House tomorrow. I hope to be working with you in the new year. This meeting stands adjourned.

The committee adjourned at 1758.

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*Wood, Len (Cochrane North/-Nord ND) for Mr O'Connor

*In attendance / présents

Also taking part / Autres participants et participantes

Fawcett, Joan M. (Northumberland L)

McLean, Allan K. (Simcoe East/-Est PC)

Runciman, Robert W. (Leeds-Grenville PC)

Clerk: Greffier: Decker, Todd

